

complaint

Mr C complains that Capital One (Europe) plc didn't inform him that it had assigned a debt he owed on a credit card agreement to another business.

background

Mr C tells us he first took out a credit card agreement with Capital One in 2008. At various times over the following years he says he's experienced financial difficulties. Mr C has raised a number of concerns regarding the credit card debt he's had with Capital One. The specific complaint I'll be addressing in this decision is where he says he didn't receive notice that Capital One had sold its debt to a company I'll call "CA". And the first he became aware of this was when he found out that CA had instigated court proceedings against him to recover the money owed.

Capital One told us the debt had been sold to CA on 16 March 2017. It said a notice had been sent to Mr C advising of this. It explained that under the terms and conditions of the agreement it was permitted to sell (assign) the debt. And it said that CA would also have notified Mr C that it had acquired the debt and would be dealing with it in future.

Our investigator didn't recommend this complaint should be upheld. He said under the terms and conditions of the agreement Capital One was able to transfer the debt to another business. And he felt it had acted in accordance with the regulatory requirements in doing so.

Mr C didn't agree with this outcome. As it's not been possible to resolve the complaint an ombudsman's been asked to make the final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I should explain that Mr C's complaint involved other elements related to this credit card agreement. But those were dealt with in a decision made by another ombudsman. My decision relates only to the issue of whether Capital One gave Mr C adequate notice that it had sold (assigned) his debt to another business (CA).

Mr C has experienced financial difficulties over a number of years and I understand that this is never an easy situation to handle. And I accept he'd be concerned to learn that he was being pursued for a debt by a company of which he said he had no knowledge. It's understandable he'd be wary about the possibility of fraud and I can see why he'd attach importance to the correct notification of any changes in the way his debt was administered.

Where evidence is unclear or contradictory - as some of it is here - I'm required to make my decision on the balance of probabilities.

I've seen a copy of a letter dated 13 April 2017 which was sent to Mr C at the address Capital One held on file. This letter notified him that the debt on his credit card account had been sold to CA and that all future dealings would need to be with that business. I've also seen a letter, dated 30 May 2017, from CA which confirmed it had acquired the debt.

I accept that Mr C may not have necessarily been staying at this address to which these letters were sent as he's made mention of moving between addresses. But as I'm satisfied that Capital One arranged for letters advising of the debt sale to be sent to the address it had on file I can't say it's done anything wrong.

The terms and conditions of the agreement, and specifically clause 22 (d), permitted Capital One to transfer any debt owed under the agreement. Our investigator included a copy of the relevant paragraphs when he issued his view, so I needn't repeat them in full here. In these circumstances I consider that Capital One has taken reasonable steps to make Mr C aware that the debt had been transferred.

I appreciate that Mr C feels he's been unfairly treated during the process which followed the sale of the debt. But as I'm limited to dealing only with the issue of the notification of that assignment, I don't think Capital One did anything wrong in that respect.

my final decision

For the reasons given above my final decision is I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 April 2020.

Stephen D Ross
ombudsman