

### **complaint**

Mr T complains that Lloyds TSB Bank plc sold his loan and credit card debts to a third party, B, without first telling him that it was doing so. He is concerned that B will use unfair tactics to recover the debts from him.

### **our initial conclusions**

The adjudicator did not recommend that the complaint should be upheld. He concluded that Lloyds TSB was entitled to sell the debts to a third party and that this was in line with the terms and conditions of his accounts. Mr T disagreed, and responded to say, in summary, that he should have received prior notice of the sale, and that he should have heard from Lloyds TSB about the debt sales prior to receiving notice from B about them.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr T and Lloyds TSB have provided.

Lloyds TSB's terms and conditions, which Mr T agreed to when he applied for his loan and credit card, said that the bank could transfer its rights under the agreements. So contractually, Lloyds TSB didn't need Mr T's prior consent to a debt sale. And there is no requirement either in the account terms or in the Lending Code that prior notice of the sale must be given to a customer. I note that Lloyds TSB did write to Mr T to explain that his loan and credit card debts had been sold to B, and that B had also written to him to explain that it was managing his debts. I note that the Lloyds TSB letter was sent with B's letter but I do not consider this to be unreasonable. Lloyds TSB said that it made a commercial decision to sell Mr T's debts to B. Mr T may disagree with the bank's decision, but this is a matter of the bank exercising its commercial judgement in which this service would not normally interfere. I have not seen anything to persuade me that the bank did not exercise its commercial decision in a legitimate way. Mr T has expressed concerns that B will use "bullyboy tactics" to recover the debts from him, but if he considers that B is not treating him fairly, he can raise a complaint with this Service.

**For the reasons I have explained, my decision is that I do not uphold this complaint.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr T either to accept or reject my decision before 6 August 2013.**

*Roslyn Rawson*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.