

complaint

Mrs H complained that Lloyds Bank PLC didn't tell her it had sold on her debts. She was also unhappy that the bank had given her details to a third party, a debt collector.

background

In 2016, Mrs H complained to Lloyds. She was unhappy that the bank had agreed a loan in 1998 which, together with her current account balance, had been transferred to the bank's debt recovery department in 2000. She was also unhappy Lloyds hadn't told her the debts had subsequently been sold to outside debt companies.

Lloyds explained that there are time limits, set by the Financial Conduct Authority, for complaints. These are that complaints have to be raised within six years of the event, or three years from when a consumer ought reasonably to have been aware. As Mrs H had agreed a payment plan in 2000, Lloyds wouldn't address her complaint about the 1998 borrowing.

The bank said that Mrs H hadn't told them about her change of address. Mrs H had given her new address to a different bank within the Lloyds banking group, but Lloyds said that was a separate legal entity and it'd have expected Mrs H to notify Lloyds about any change to Lloyds accounts.

Mrs H wasn't satisfied and complained to this service.

The adjudicator explained that there are time limits for what we can consider. He looked at Mrs H's accounts. One was sold to a debt collector in June 2013 with a balance of £1,914.58. The other was sold to a debt collector in 2009 with a balance of £4,079.60. On each account, Mrs H paid £7.50 a month until December 2013, when she stopped paying. So there was still an outstanding balance on both accounts. The adjudicator accepted that where Lloyds had sold debt to a debt collector, it was obliged to pass on any change of details to the debt collectors. Mrs H had given Lloyds her address when she made her complaint, and the debts were still outstanding. So he didn't consider Lloyds had done anything wrong.

Mrs H wasn't satisfied. She didn't agree Lloyds could pass on her details to the debt collectors, because she believed Lloyds' obligation to pass on the information stopped when the bank had sold her accounts. She was also unhappy that we can't look at things which happened more than six years ago. The adjudicator replied that the obligation came from Lloyds' agreement with the debt purchasers, and it did have an ongoing obligation to pass on details.

Mrs H said that it wasn't fair that Lloyds had passed on her contact details to the debt collectors, because Lloyds had got her address from her complaint. She hadn't rung and given Lloyds the details so they could change their records, which she said would have been fair enough.

my findings

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

It's correct that we can't look at the part of Mrs H's complaint which is about what happened before 2010. This is because of the rules about time limits which Lloyds and the adjudicator have already explained.

Mrs H didn't tell Lloyds about her change of address. I don't have the exact dates for when she moved, but the bank didn't find out about her new address until Mrs H gave it to them for her complaint in 2016. So I don't uphold Mrs H's complaint that she didn't receive any letters from Lloyds when her accounts were sold to debt collectors.

Mrs H doesn't think it's fair that Lloyds picked up her new address when she complained, and passed it on to the debt collectors. Lloyds told the adjudicator it was obliged to pass on Mrs H's details under its agreement with the debt collectors. In any case, the Data Protection Act does recognise that there may be legitimate interests for processing personal data. An example of this is Mrs H's own situation – where a customer who's stopped making payments on a debt has moved, and their new address can be passed to the debt collection agency without the customer's consent.

If Mrs H wants to pursue the disclosure of her address, it's the Information Commissioner's Office (ICO) which considers complaints about breaches of data protection. But she might like to look at their website first, which, as I've explained, sets out that it can be fair to disclose a customer's address to a debt collection agency. Mrs H should also be aware that the ICO doesn't award individuals compensation, even if it did find there was a breach.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 5 January 2017.

Belinda Knight
ombudsman