

complaint

Mr T is unhappy his credit card debt with HSBC Bank Plc has been sold to another company. He's also unhappy HSBC haven't been able to provide a copy of his signed agreement.

background

In 2003 Mr T took out a loan with HSBC he says at the same time he was given a credit card.

Mr T used the card. And in 2013 the card had fallen into arrears. HSBC and Mr T discussed his income and expenditure. It was agreed he'd commit £130 per month to the debt.

In late 2014 Mr T made payments for lower than the agreed amount. In January 2015 Mr T agreed to pay £60 per month. In early 2016 Mr T again made reduced payments. HSBC contacted Mr T and they put in place an agreement to pay £30.

In August 2016 Mr T and HSBC discussed settling the debt. But they couldn't agree an amount. Mr T explained he'd been made redundant and agreed to pay £10 per month.

HSBC sold the debt in July 2017.

In September 2017 Mr T complained the debt had been sold without his permission as he didn't want to deal with the other company. He also asked for a copy of his signed agreement for the credit card. HSBC replied in December 2017. They explained they were entitled to sell the debt and couldn't provide a copy of the agreement.

Mr T remained unhappy so contacted us. The investigator considered the complaint. She explained Mr T's original agreement wasn't available because of the length of time since it was taken out. She didn't think this was unreasonable or that HSBC had acted unfairly selling the debt.

Mr T disagreed. He says he always contacted HSBC to keep them informed and tried to reach an agreement with them. He says they were never interested. He believes the debt was fully maintained. And he's unhappy HSBC can do what they want with the debt.

So the complaint has been passed to me to review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done this I'm not upholding the complaint. I'll explain why.

Mr T says he didn't agree to take out the card, he was just given it when he took out a loan. So understandably Mr T would like to see a copy of the original paperwork. HSBC have confirmed this isn't available. I can't say this is unreasonable considering the time that's passed.

I also don't think the fact that the signed agreement can't be produced means that the debt can't be sold. It's not for me to decide if this debt is legally enforceable (this would be for the court). So what I have considered is if what happened was fair and reasonable in the circumstances.

Mr T has agreed he used the card to make purchases and he accepts that the debt (of just under £7,000) is his. So in the circumstances as Mr T has had use of the money and accepts the debt, I don't think the fact HSBC can't provide the signed agreement makes a material difference to my decision.

Mr T believes the debt was fully maintained. However, HSBC's notes suggest this isn't the case. Although I can see Mr T has made regular payments towards the card there seems to have been arrears issues since 2013.

Mr T said he kept HSBC updated and that HSBC weren't interested. I've seen that since 2013 there was contact between Mr T and HSBC. Most of this was initiated by HSBC. I believe HSBC have done what I'd expect in the circumstances, they asked about financial difficulties and have acted positively and sympathetically when accepting lower payments and Mr T mentioned that they also froze interest.

Mr T is unhappy it was only after a few months of the agreement to pay £10 that HSBC sold the debt. He also suspects HSBC were aware they were going to sell the debt when he was trying to negotiate a settlement. These were both in August 2016. I can see they didn't accept Mr T's offer of £1,500 to settle the debt. But in the circumstances I don't think this was unreasonable and there's nothing to suggest that they'd decided to sell the debt at this point. The debt was sold almost a year later in July 2017.

Considering the circumstances I think HSBC were entitled to sell the debt. I understand Mr T was unhappy it was passed to a company he didn't want to deal with but HSBC didn't need his permission. HSBC wrote to Mr T to explain the debt had been sold and the new owner wrote to Mr T to introduce themselves. The new owner is also a regulated business. So it seems HSBC have done what I'd expect in the circumstances.

my final decision

For the reasons explained above I'm not upholding the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 April 2018.

Melissa Grove
ombudsman