

The complaint

Mr W complains Vanquis Bank Limited sold his credit card account to a debt purchaser despite having a payment arrangement in place.

What happened

Mr W has said he opened the account in 2017 and after getting into difficulties set up a payment plan which had repaid 80% of the outstanding debt. Despite this, Vanquis sold his debt, and he's concerned this would have an adverse impact on his credit file.

Vanquis said Mr W set up a repayment plan with them in May 2021 for £5 a month. They said the decision was taken to sell his account to the debt purchaser on 21 July 2023 – and explained it's not because of how he's been running the account, but because the debt purchaser specialises in long term debt arrangements like his. Vanquis quoted the terms and conditions which they said allowed them to sell the account, and overall didn't uphold his complaint.

Mr W asked us to look into things. One of our Investigators did so and found Vanquis hadn't done anything wrong. Mr W asked for an Ombudsman to consider things, so the complaint's been passed to me to decide.

What I've decided – and why

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

As a starting point I need to consider the terms and conditions of the account Mr W signed up to. These say:

19.1 You cannot transfer this agreement or your rights or obligations under this agreement. We may assign this agreement or transfer any of our rights or responsibilities to any company or person who is authorised and / or regulated by the Financial Conduct Authority in respect of the conduct of credit-related activities e.g., if our business was sold to a third party. We will give you such notice of any transfer or assignment as is required by law.

19.2 We may instruct any other person to exercise our rights or carry out our responsibilities under this agreement e.g., we could instruct a debt collection agency to assist in recovering any amounts owed to us.

In the circumstances, I'm satisfied Vanquis were allowed to transfer Mr W's account to a debt purchaser.

I do understand his disappointment that Vanquis have done so while he's in a payment arrangement with them, but as they're allowed to do this – I can't say they've done anything wrong.

In case it helps, it's quite common in the industry for someone who hasn't met their contractual obligations on lending for that to have been passed over to a debt purchaser. I wouldn't generally think lenders will think less of someone's creditworthiness on the basis the debt is now owed to the debt purchaser rather than the original creditor. That, though, is something each lender will ultimately have their own views on.

My final decision

For the reasons I've explained above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 March 2024.

Jon Pearce
Ombudsman