

The complaint

Mr H says he's been treated unfairly because even though he made his payments to his debts Link Financial Outsourcing Limited (LINK for short) still defaulted him.

What happened

Link says it bought this 'pre default status' debt (relating to a credit agreement) from a bank in February 2015. Mr H has been paying the debt back through a debt management plan with the assistance of a debt charity.

Link says it didn't receive payments toward this debt between August 2018 and January 2019, so it defaulted him. Mr H says he paid the money towards the debt management plan throughout. So it's unfair for him to have been defaulted. And the default has impacted his credit file which has severely hampered his business. So Mr H complained to Link. But Link feels it hasn't done anything wrong.

Mr H disagreed, so he complained here. The Investigator did not agree with Mr H. As Mr H remains unhappy this complaint has 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.

Link and Mr H don't agree on some of the key issues here. So I can only make my decision based on the evidence provided to me by the parties. In short I must decide what is most likely to have happened. Or in other words, what happened on the balance of probabilities.

Having considered all of Mr H's arguments I'm not persuaded to uphold this complaint. I say this for the following reasons.

This service has been provided with a letter from the debt charity which says that Mr H was reviewing his debt management plan in August 2018 using its online service. It says during this review there was a request to change the Link debt level. This debt was "zeroed" a couple of days later. It says it sent Link a letter about this at the time.

Link has provided its correspondence records from the time. It shows much earlier correspondence with the debt charity some months before. But it doesn't show receipt of the letter the debt charity says it sent around August 2018.

The correspondence records go on to show that in October 2018 Link wrote to Mr H. I can see in that record is Mr H's postcode which is the postcode we have for him. So it seems unlikely it was sent to the wrong place. And there is no record of Mr H responding to this letter.

Then in January 2019, because Link hadn't received a number of payments it sends a default notice to Mr H -a copy of which I've seen. This default notice has Mr H's address on it

(the same as above) and sets out the arrears amount and what Mr H has to do and by when. I've also seen a copy of the letter it sent after the time period in the default notice had run out. That is also addressed to Mr H's address. Link's correspondence record doesn't show any correspondence being received between August 2018 and January 2019 from either Mr H or the debt charity.

Mr H has provided statements from his debt management plan showing that no payments were made to Link around the time and that the balance had been put to zero (and later returned to the amount owed after he was defaulted).

Link has said *"Mr H has advised that (the debt charity) informed him that we had confirmed the balance was £0 and this is why the payments stopped however we also spoke with (the debt charity) and they advised the reason for the arrears were that the customer had incorrectly cancelled the plan on their online portal."*

It has to be remembered that this decision is a not a decision to discover what happened between the three parties in the round. It is a decision which can only consider whether Link has done something wrong and if so how to put it right.

I've seen no persuasive evidence of the email Mr H says Link sent saying that the debt had been cleared. And the debt charity make no mention of this in their letter to Mr H. It's clear the debt wasn't cleared and there appears to have been no reason to send any email at that time (never mind such an erroneous email). As neither party has provided a copy of the email and the debt charity points to Mr H changing the debt amount on the debt plan, I'm not persuaded Link sent such an email.

And even if it had I think it must have been clear to Mr H and the debt charity that it was a mistake. Both knew the debt amount as it was shown on his debt management plan statements each month. And neither the debt charity or Mr H would have had reason to believe the debt had been paid off as neither of them had paid it off. And ultimately the debt charity is acting on behalf of Mr H. And it says that the debt to Link showed as being 'zeroed' as a result of Mr H managing the account online. And it says this was done before the date Mr H specifies for the email he says Link sent was sent. So whether or not Link sent such an email, it seems to me that the cause of Link not getting paid stemmed from things that happened before the email is supposed to have been sent.

Whatever happened it is clear that Link weren't paid for some months. I'm satisfied based on the records available that it sent letters to Mr H which were correctly addressed. Mr H says he never got these. But I've seen copies of some of these letters including crucially the default notice and I can see its correctly addressed. And I've seen nothing to persuade me it wasn't sent. So I don't think Link has made a mistake here.

Mr H says he continued to pay towards the Debt Management Plan. And this maybe so. But his debt was with Link and he was obliged to pay it on a monthly basis. Link didn't make Mr H make payments through an intermediary. So I don't think Link is at fault for any failing by either Mr H or the intermediary or any combination of the two. So when it didn't receive payments for some time and having written to Mr H I don't think it had done anything wrong in beginning the default process by issuing a notice of default.

I've considered the default notice and the termination notice and note that Mr H didn't contact it until after the date that Link stipulated he needed to contact it. So I don't think Link has done anything wrong in terms of placing the default on file.

Mr H points to other companies changing their stance towards him as a result of information put on his credit file. This maybe so-but those are decisions taken by those businesses and

Link isn't responsible for such commercial decisions. It is responsible for reporting payments and defaults on credit files accurately and fairly. And as this is what happened I think it has done this.

As stated earlier this decision only looks at what Link has done and not what other parties have done. I have decided Link has acted fairly so I am not upholding this complaint. Mr H is at liberty to take his complaint to other parties who are involved if he wishes. And as Mr H has stated, he has the option of taking matters further. Whether that be through the courts or complaining about other parties to this service (which are within our jurisdiction).

I appreciate Mr H will be disappointed with this decision. But this decision brings to an end our process regarding this complaint about Link. So, in short, this complaint does not succeed.

My final decision

For the reasons set out above, I do not uphold this complaint against Link Financial Outsourcing Limited. It has nothing more to do with regard to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 October 2020.

Rod Glyn-Thomas
Ombudsman