

## **The complaint**

Mr G is unhappy that Link Financial Outsourcing Limited (Link Financial) won't accept the offer he made to settle a debt related to his current account.

## **What happened**

Mr G's debt with a bank was sold to Link Financial. Mr G made an offer to settle the debt. However, Link Financial didn't accept the offer.

Mr G complained to Link Financial. It replied and said that it found Mr G's settlement proposal to be invalid because the amount offered required Link Financial to remove the default from his credit file. It said it couldn't remove the default.

Mr G complained to this service. Our investigator didn't uphold the complaint he thought Link Financial had acted reasonably. It had explained the reason for its decision and was required to report accurately to credit agencies, which included not removing the default from the account, as it was correct.

As Mr G did not agree, the complaint has been referred to me.

## **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.

I note that Mr G had another complaint with this service, which has already been resolved. In that complaint, our investigator didn't uphold Mr G's complaint and found that the bank had sold the debt to Link Financial and the debt amount at the time of the sale of the debt was £1,650.92. The complaint was then closed by this service. I therefore won't be revisiting that point and will be making my decision on the basis that the debt amount that Link Financial asked Mr G to pay is correct.

I've listened to the phone call where Mr G made an offer to pay the debt. In that call, he said that he was only willing to pay the original debt amount of £1,413.68, not the higher amount of £1,650.92, as this was incorrect. The call handler said they would check with the bank that sold Link Financial the debt whether it was the correct amount. Mr G also said that there shouldn't be a default on his account before the debt was sold to Link Financial. The call handler then passed the call to a manager as Mr G wanted to raise a complaint.

When Mr G spoke to the manager, he again raised the issue of the default and said that Link Financial had backdated the default to before the bank had sold it the debt. Mr G made an offer to pay £1 per month, in which case the default could be left on his file or he would pay £1,413.68, but the default needed to be removed from his credit file. The manager said that the offer would be referred to the settlement team, but that the default needed to be on the credit file.

When Link Financial responded to Mr G's complaint it said that it had checked and confirmed that the default had been applied to the account by the bank that sold it the debt before the debt was assigned to Link Financial. It said that it couldn't remove the default from Mr G's credit file, as it was obliged to report factual information to the Credit Reference Agencies. It said that if Mr G was to make settlement payment towards the account that it would be required to update the credit file as partially settled as the full amount wouldn't have been paid. Link Financial also said that if Mr G wanted to dispute the default that it would need to do so with the bank that sold it the debt.

The issue here is whether Mr G's offer to pay £1,413.68 on the condition that the default was removed from his account was a reasonable offer that Link Financial should have potentially accepted. Having thought about this, I've concluded that it wasn't. I've looked at the default and the evidence provided by Link Financial shows that the default was applied by the bank that sold it the debt. I've no reason to think that this default was incorrectly applied or that it shouldn't be on Mr G's credit file.

So, I can't see that Link Financial was in a position to consider Mr G's offer in any detail. Mr G's said that his offer was only made on the basis of the default being removed from his credit file. But Link Financial wasn't able to get the default removed from Mr G's credit file. This was because it was under a duty to correctly report to credit reference agencies and it had no basis on which to approach the credit reference agencies to try and make the change.

In my view, once Link Financial had considered the credit file point and concluded that it couldn't do as Mr G asked, there wasn't then a valid offer of payment to consider. So on that basis, I think it was reasonable that Link Financial decided that it couldn't consider the offer. I also think that it explained its reasons for its decision when it responded to Mr G's complaint and that it also made it clear that £1,413.68 would only be a partial payment, as it wasn't for the whole amount owed.

Having thought about all the above, I think that Link Financial considered the offer as much as it was able to do so, but I don't think it could do any more than it did because of the condition that Mr G put on it. So, I don't uphold this complaint or require Link Financial to do anything further.

### **My final decision**

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 November 2020.

Louise O'Sullivan  
**Ombudsman**