

The complaint

Mrs I has complained about Link Financial Outsourcing Limited's delay in responding to her settlement offer.

What happened

In April 2019, Mrs I had an outstanding balance of £6,179.25. She wrote to Link with a full and final settlement offer of £3,090.

Link did not initially respond to this. In August 2019, Mrs I's debt management company chased Link, but also did not get an answer.

In November 2019, Mrs I complained to Link. She was unhappy they hadn't responded to her offer. She explained that because she wasn't sure if Link would accept, she didn't complete a review of her finances with her debt management company, and because of that the company ended the debt management plan. She felt this was Link's fault. She also felt her credit file would've looked better if Link had responded sooner.

Link apologised for overlooking her offer, confirming they had received it. They explained they couldn't accept an offer of £3,090, but could accept £3,849.52. They also offered Mrs I £50 compensation for their delays in replying.

Mrs I didn't accept this and came to our service. As a resolution to her complaint, she wants Link to accept her original full and final settlement offer, and to change their procedures so that such a delay never happens again.

Our investigator looked into things independently. He agreed Link had got things wrong. Though he didn't think an earlier reply would've helped Mrs I's credit file, as Link thought her offer was too low in any case. He explained that an outstanding full and final offer didn't stop Mrs I from completing a review with her debt management company, as she could've adjusted things later if the offer went through. So he didn't think Link were responsible for her debt management plan closing. And he explained that we couldn't force Link to accept an offer it found too low, nor could we tell them to change their procedures. But he did think Link had caused Mrs I unfair stress and anxiety by failing to reply in time, and he felt £100 compensation was a fairer amount than £50.

Link agreed to pay £100. Mrs I didn't agree, 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.

Having done that, I've come to the same conclusions as our investigator, and for much the same reasons.

I think all parties accept that Link should have replied earlier, and that they got things wrong here. My main concern, then, is how this affected Mrs I and how to put that right.

Like our investigator, I don't see that an earlier reply was likely to have helped Mrs I's credit file, as it looks like Link thought her offer was too low in any case. So I have not found that Link's mistake had any unfair impact on Mrs I's credit score.

Mrs I was still able to complete a review with her debt management company, and then adjust things later if her settlement offer got accepted. So I don't think Link were responsible for Mrs I's debt management plan ending. Mrs I may be able to make a separate complaint about her debt management company if she feels they acted unfairly.

It is clear that Link's delay caused Mrs I unfair stress and anxiety, so I've thought about how to put that right.

I understand Mrs I would like Link to change how they work going forward. But as our investigator explained, I can't comment on Link's procedures as a whole – we're only here to look at complaints about individual situations. It's the regulator – the Financial Conduct Authority (FCA) – who regulates financial businesses and their processes. While I appreciate where Mrs I's coming from, I can't tell Link to change their communication procedures.

I also understand that Mrs I would like Link to accept her full and final settlement offer. But I cannot force Link to do that. Broadly speaking, it's their choice whether to accept it or not. Link have made a counter offer for £3,849.52, which doesn't seem unreasonable considering the outstanding balance.

When a business gets things wrong, we often tell them to pay compensation, to recognise their error and the impact it had. It's clear that this matter has caused Mrs I distress, and so I think Link needs to put that right.

We have guidelines about what levels of compensation to award, and we need to be consistent. I agree with our investigator that Link's initial offer of £50 was too low, and that £100 is a fair total amount of compensation to put things right here.

Lastly, I understand that Mrs I has had further issues with Link, following her complaint. I'm only able to look at the issues that Mrs I brought to this service, rather than separate issues that arose afterwards. But Mrs I can make a separate complaint to Link about those new issues, and she may then be able to bring that to our service as a separate case.

My final decision

For the reasons I've explained, I think Link Financial Outsourcing Limited should pay Mrs I £100 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 28 October 2020.

Adam Charles
Ombudsman