

The complaint

Mrs B complains about the actions of Link Financial Outsourcing Limited (Link Financial) whilst trying to recover a debt that it says it acquired from the original lender.

What happened

On 16 December 2014 the original lender wrote to Mrs B to say her debt had been sold to another business. The letter advised that the new owner of the debt had appointed Link Financial to administer the account and collect the debt. On 16 December 2014 Link Financial also wrote to Mrs B to say the debt had been acquired by a new business and that it had been appointed to manage the account. Link Financial said the outstanding balance was £1,479.06.

Mrs B has since made payments to reduce the outstanding balance.

Since 2015 Mrs B has made several complaints to Link Financial about the way her account was acquired. Mrs B complains that Link Financial is operating a scam.

Link Financial has issued several responses to Mrs B's complaints since 2015, none of which have been upheld. Link Financial says that the debt was acquired from the original lender in December 2014 and that the correct rules and processes were followed.

Mrs B referred her concerns to our service and the case was passed to an investigator. He advised that he was only able to look at Link Financial's actions. The investigator thought Link Financial had dealt with Mrs B's complaint fairly and didn't ask it to do anything else.

Mrs B responded to say she believes the sale of her account to Link Financial was fraudulent. Mrs B said that she was told the original lender had been approached by Link Financial with an offer to recover the debt on its behalf but there was no need for a third party's involvement.

The investigator responded to say that Mrs B could address her concerns about the sale of the debt to Link Financial to the original lender. Mrs B and the investigator were unable to agree on the outcome of her complaint so it has been passed to me to make a decision.

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.

Mrs B has raised several points in her complaint. But I think the main focus of her concerns lies in the sale of her debt from the original lender to the new owner of the debt in December 2014. Mrs B has raised several concerns, including that someone persuaded the original lender to sell her debt, that Link Financial has been contacting her as part of a scam and that the outstanding balance was wrong when the account was sold. I understand Mrs B's concerns but I haven't found any evidence to support the claim that Link Financial has acted fraudulently in this case.

Mrs B says someone at Link Financial persuaded the original lender to sell her debt. Businesses are allowed to sell debts. Lenders will often decide to sell debts, especially when they haven't been repaid on time. In this case, whilst I note Mrs B's concerns, there is no evidence to show anyone at Link Financial actively persuaded the original lender to sell her debt. I haven't found that Link Financial acted fraudulently to persuade the original debt owner to sell Mrs B's debt.

Mrs B has also forwarded press information that relates to scams from fraudsters who pretend to be collecting debts. Whilst some consumers may be the victim of a scam, the evidence doesn't support Mrs B's concerns. The rules say that when a lender sells a debt to another business a Notice of Assignment (NOA) has to be sent confirming the new arrangements. In this case, we have a NOA from the original lender dated 16 December 2014 telling Mrs B it had taken the decision to sell her debt. And a NOA from Link Financial, also dated 16 December 2014, that confirms it has been appointed to administer the debt. The sale of the debt was confirmed by the original lender and Link Financial on the same day. Had Link Financial's contact with Mrs B been part of scam, I wouldn't have expected the original lender to confirm the details of the sale.

Over the years, Mrs B has made payments to Link Financial to reduce the outstanding balance. I've looked at the statements and can see the account balance has reduced in line with the payments Mrs B has made. This adds further weight to the fact Link Financial is using Ms W's payments to reduce the amount she owes, rather than as part of a scam.

I'm sorry to disappoint Mrs B as I can see how strongly she feels in this matter. But I haven't seen anything to show Mrs B has been the victim of a scam by Link Financial. And I'm satisfied that the evidence shows the debt was legitimately sold by the original lender in December 2014 at which point Link Financial was appointed to administer it.

I'm satisfied that Link Financial was appointed to administer the debt in December 2014 and that it has dealt with Mrs B's complaint fairly. As a result, I'm not telling Link Financial to take any further action.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 17 November 2020.

Marco Manente
Ombudsman