

## **The complaint**

Mr S has complained about Link Financial Outsourcing Limited chasing him for a debt which he feels should've been covered by a previous Payment Protection Insurance (PPI) policy.

## **What happened**

This complaint is about a credit card account which Link began managing in 2011.

In 2013, Mr S complained about the sale of his PPI to the original creditor. In 2015, the original creditor agreed that the PPI had been mis-sold. They've since given Mr S a full refund, to put him in the position he would've been in had the PPI never existed.

In 2019, Mr S complained about Link, saying it was unfair they were chasing him for this debt as it should've been covered by his PPI policy. He also felt they were harassing him. And he was unhappy with the original creditor passing on the debt.

Our investigator looked into things independently and didn't uphold the complaint. He explained that Link weren't responsible for the original creditor's actions in passing on the debt, or in selling or administering the PPI. And he didn't think Link's contact had been excessive.

Mr S 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 understand that Mr S is unhappy with things the original creditor did, such as the way they sold the PPI policy and dealt with his PPI claim, and then passing on the debt. I understand he'd like us to look at this as part of his complaint against Link. But we cannot. Link are a separate business to the original creditor, and are not responsible for the original creditor's actions.

If Mr S is unhappy with what the original creditor did, then he would have to make a complaint about them directly – though I understand he is out of time to do so.

While Link are not responsible for this PPI policy, I think it will be helpful if I explain to Mr S how PPI refunds work, as it's relevant to his concerns.

When we find that a PPI policy has been mis-sold, we expect the business who sold it to put their customer in the financial position they would've been in had the policy never existed.

If the PPI had never existed, then Mr S would never have paid for it. That's why the original creditor refunded what he'd paid for the PPI. They also added simple interest on top, to compensate Mr S for the time where he was out of pocket.

Equally, if the PPI had never existed, then Mr S would never have been able to claim on it. So now that Mr S has received a full refund of his PPI, he cannot also make an insurance claim on it.

In other words, Mr S cannot both have the policy be treated like it *never* existed – and get a refund, but also have the policy be treated like it *did* exist – and put through an insurance claim.

Again, though, I will reiterate that Link are not responsible for this PPI policy.

Link *are* responsible for their own actions in collecting the debt. I've thought carefully about what Link did, as I know Mr S feels they harassed him. But while I understand it can feel stressful being chased for a debt, Link do have a legitimate reason to be getting in touch with Mr S. It's reasonable for them to ask him to pay back the debt he owes, or to send him updates when he's behind. Indeed, some of this correspondence is things they *had* to send him. From what I've seen, I don't think Link have communicated with Mr S particularly excessively or unreasonably.

I hope I can reassure Mr S that Link still have a duty to deal with him appropriately in collecting the debt. He might want to get in touch with Link to see what assistance they might be able to offer him. I've also sent him the details for charities who can give him free help and advice in dealing with his debts. And he can always get back in touch with our service as a separate complaint if he subsequently feels that Link aren't taking his situation into account when working out how to repay the debt affordably.

But as things stand now, I have not found that Link have acted unfairly, and I think it's reasonable for them to ask Mr S to repay the debt he owes.

### **My final decision**

For the reasons I've explained, I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 January 2021.

Adam Charles  
**Ombudsman**