

The complaint

Mr and Mrs N are unhappy about the way that Link Financial Outsourcing Limited (“Link”) has handled the collection of various outstanding debts in their name.

What happened

Between 2005 and 2016, three separate businesses sold two debts they held in the name of Mr N and one debt in the name of Mrs N. The debt purchasers then appointed Link to manage the accounts on their behalf.

Mr and Mrs N made payments to Link through a debt management plan (“DMP”). In 2020, Mr and Mrs N became unhappy with their DMP provider, so they asked Link to give them original credit agreements and statements.

Mr and Mrs N said that Link initially failed to give them copies of the credit agreements. And that when Link did provide copies, they were fraudulent. Mr and Mrs N said the debts were unenforceable so Link should stop harassing them for payment.

Link explained to Mr and Mrs N that it didn’t agree that it had made a mistake. It said that as it had given Mr and Mrs N copies of the credit agreements, the accounts were enforceable. Link agreed to close the accounts in the name of Mr N but not Mrs N. Link didn’t agree that it had harassed Mr and Mrs N.

The investigator didn’t recommend that Mr and Mrs N’s complaint be upheld. She noted that Link had closed the accounts in Mr N’s name. The investigator explained to Mrs N that this service couldn’t declare a credit agreement to be unenforceable. She thought it was reasonable of Link to try and collect the debt.

Mr and Mrs N raised several concerns about the investigator’s recommendation. They didn’t accept the credit agreements were genuine and confirmed they’d reported them to Action Fraud.

The investigator said that she couldn’t consider whether Mrs N’s credit account had been opened fraudulently as this would involve the original creditor not Link. The investigator explained that she’d only considered the actions of Link and that she thought it had acted fairly.

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 realise that I have summarised this complaint in less detail than the parties and I’ve done so using my own words. I’m not responding to every single point made by the parties involved. I don’t intend any discourtesy by this. Instead I’ve concentrated on what I consider to be the key issues. The rules that govern this service allow me to do this.

It's not a matter for this service to decide whether a debt is legally enforceable. That is for the courts to decide. But I can still consider whether Link acted unreasonably when pursuing the debts from Mr and Mrs N.

As far as I can see, Mr and Mrs N didn't request credit agreements from Link until late 2020. I'm satisfied that Link followed these requests up and provided copies of what it was given by the original creditors.

Until such time as Link was able to give Mr N copies of one the credit agreements, it confirmed that the debt would be unenforceable but that it was still allowed to ask for repayment. I can't reasonably find that Link misled Mr N or Mrs N. And I can't say that the nature of Link's contact with Mr N or Mrs N has been unreasonable or excessive.

Mr and Mrs N have raised concerns about the credit agreements saying one wasn't dated, another was completed by an unknown person and that the signature on one doesn't belong to Mrs N. Link decided to close the two accounts in Mr N's name – meaning it's just managing a credit card debt in Mrs N's name. So, I will focus on the account in Mrs N's name.

I appreciate that Mrs N doesn't think it's her signature on the credit card agreement. But as the investigator explained – that is something she would need to raise with the original creditor.

The debt in Mrs N's name was included as part of the DMP. And she's been making regular payments for many years. I understand that Mr and Mrs N have made a separate complaint about the DMP provider so don't think the fact Mrs N made the payments is relevant. But I can't find that Link had reason to believe that Mrs N didn't owe the debt. Or that it should be prevented from asking Mrs N to repay the debt.

I'm sorry that my decision is likely to disappoint Mr and Mrs N who feel very strongly about their complaint.

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 Mr and Mrs N to accept or reject my decision before 8 November 2021.

Gemma Bowen
Ombudsman