

The complaint

Mr S complains about Link Financial Outsourcing Limited's actions when trying to recover a debt he disputed.

What happened

Link purchased a credit card debt in Mr S' name from another business (A) in 2019. In January 2021 Link traced Mr S to his address and wrote to him to request repayment of the outstanding balance. In February 2021 Link was advised Mr S wasn't aware of the account and believed the debt to be fraudulent. Link agreed to revert to A for comment. Mr S also contacted A to raise concerns that he'd been the victim of fraud.

A responded to Link and sent documents relating to the debt. Despite raising a dispute, A didn't notify Link that Mr S wasn't the borrower. Link said it still considered Mr S to be the borrower but said it could contact A to pursue the dispute.

Mr S referred the matter back to A but says Link continued to contact him for payment which caused a lot of upset.

Ultimately, A agreed to buy the debt back from Link in August 2021. Mr S says that Link sent him another collections letter in September 2021, despite no longer owning the debt.

Mr S referred his complaint to this service and it was passed to an investigator. Overall, the investigator didn't think Link had treated Mr S unfairly. But the investigator said that during May and June 2021 Link should've continued to suspend collections activity to allow A to respond to the dispute Mr S had raised. The recommended Link pay Mr S £100 to for the distress and inconvenience caused.

Mr S agreed but said his acceptance was contingent on receiving the payment within seven days. Link confirmed payment on the sixth day following Mr S' acceptance but said it could take up to five working days for the payment to be received. Mr S then asked to appeal, so his complaint 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.

Once Link was aware Mr S disputed the debt it was seeking to recover was his it needed to look into whether it was contacting the right person. The rules say collections activity should be suspended until it's established the right person is being pursued. I can see that when Mr S first raised his concerns in February 2021 Link agreed to raise a dispute and stopped collections activity.

A went on to forward documents and information to Link that indicated Mr S was liable for the debt. Once A responded to Link I think it was reasonable for it to consider starting collections activity. I can see Link issued a response to Mr S' dispute and explained he could

continue to discuss the debt with A. Mr S responded in the middle of May 2021 and said he was continuing to pursue the dispute but Link didn't place a hold on the collections activities. So Mr S received some contact from Link.

Link received follow up information from A in the middle of June 2020. A didn't accept it Mr S wasn't the original borrower. As I've said above, Link should've suspended collections activity during until A confirmed its position. So I can see there was a period of around a month where the account wasn't on hold. Link has agreed to pay Mr S £100 to apologise and I'm satisfied that figure fairly reflects the distress and inconvenience caused to him.

Link went on to call Mr S in July 2021, but I don't think that was unreasonable. At this stage, A hadn't withdrawn the debt or said Mr S wasn't liable for it. I note that A agreed to buy the debt back in August 2021, but it didn't say Mr S wasn't the borrower in its final response.

Mr S told us he received a letter from Link in September 2021. But no copy has been supplied and Link says it has no record of sending a letter to Mr S on the date in question. Link's contact notes show Mr S called it in September 2021 and was promised a call back that didn't happen. I've taken this into account.

Whilst I agree there were some service issues and a period of around a month when Mr S' account should've been on hold but wasn't, I think the agreement from Link to pay Mr S is a fair way to resolve his complaint. In my view, that figure reflects the impact of the above issues on Mr S and is fair in all the circumstances. So I'm going to uphold Mr S' complaint on tell Link to pay him £100 if it hasn't done so already.

My final decision

My decision is that I uphold this complaint and direct Link Financial Outsourcing Limited to pay Mr S £100 (less any compensation already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 February 2022.

Marco Manente
Ombudsman