

The complaint

Mr S complains Link Financial Outsourcing Limited have:

- Purchased two of his debts
- Added two defaults to his credit file
- Not provided evidence they owned the accounts
- Talked down to him when speaking on the phone
- Not set up his complaint when he first asked
- Set up a payment plan without his authority

What happened

Two of Mr S' accounts were sold by B to another company who I'll refer to as L. L have appointed Link to act as the debt collector. As I understand it, Mr S had fallen into arrears with B, who subsequently defaulted the account. B reported this default to the credit reference agency's (CRA's). As can be commonplace, lenders such as B may sell their debt on to debt purchasers / collectors like Link. The letters showing Link were asked to start collecting on the accounts are dated 30 November, and 8 December 2021.

Mr S originally contacted Link on 20 November 2021 to discuss the accounts but was told the accounts hadn't migrated to their systems yet. He then asked to complain but was told he couldn't for the same reason. He said he's asked for proof of ownership from Link but hadn't received them by the time of the complaint. Also, Link were reporting defaults in addition to B – which meant he had four defaults on his credit file instead of two for the two accounts. Mr S said he's struggling with stress since Link took over and says Link's agent was being rude and offensive when speaking on the phone. Mr S also said he never set up a payment plan with Link, so didn't think they should have chased him for it.

Link said when Mr S called on 20 November 2021 to register a complaint his accounts weren't on their system yet, so they couldn't raise a complaint as there was no file to raise on their system. Link said further calls took place on 22 and 23 November, when the accounts still hadn't transitioned. They said the accounts came over to their systems on 29 November. They wrote to him on 30 November for the first account, and then 8 December for the second account which they said was within a reasonable period of time. They didn't think they'd done anything wrong in the calls and said Mr S had been offered their Specialist Support Team on several occasions.

Link also said in relation to the defaults the balances are the same as what B are recording, so they've not done anything wrong there. They said B had updated the defaults to show they'd been assigned, so there was only one default per account showing now. In respect of the debts being assigned to Link they said B could transfer the accounts to whoever they wanted. As for being contacted, Link said this is because a payment plan had been set up with B, so they were continuing with it – and as no payment had been received, they contacted him.

Our Investigator looked into things but felt Link had acted fairly. Mr S said he disagreed strongly on two points – that the Specialist Support Team hadn't got in touch when he asked, which won't be considered as part of this complaint, and the payment plan that'd been set up wasn't suitable.

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 think it's important to firstly explain I can't hold Link responsible for actions taken or not taken by B. All I can consider is whether Link have done what I'd expect when Mr S raised his concerns.

Purchased two of Mr S' debts

As I've set out above Link didn't buy the accounts, L did and asked Link to collect on them. But, I can see Mr S' main concerns is that given some previous issues he's had with Link he doesn't think it's ok for them to have been assigned the account.

Ultimately that's a commercial decision for Link and other parties to have made, so I can't say they've done anything wrong on this point.

Added two defaults to Mr S' credit file

Generally, when a debt purchaser / collector takes over the debt they'll also take over the responsibility for reporting on the debt to the CRA's. Usually, this means the lender would stop reporting the debt, because the debt purchaser / debt collector is.

The Information Commissioner's Office (ICO) are responsible for upholding information rights in the UK. They issue guidance on such matters, and their guidance for this issue says:

If it is clear from looking at the two entries that they relate to the same account, with the same default date and balances and the original debt is clearly showing as settled then it is likely that we would consider this to be fair in terms of the data protection law. However, if the entries are recorded on your credit file in a way that may look like they are two different debts, or that could make the debt remain on your credit file for longer than six years from the date of the original default it is unlikely that we would consider this to be fair.

So, given I can only look at the actions of Link, not B, I've assessed whether Link are recording the defaults in a way that shows them as consistent with B's reporting.

Having seen the defaults that were recorded by Link they had the same balance, showed them as in default, and Link's information was updated more recently than B's. So, I think it's likely any lender would have realised they were the same defaults – which is what the ICO says should happen. That means I don't think Link did anything wrong on this point. Link have said they've also recorded the defaults from the original default date that B used – which again is in line with the ICO's guidance.

I understand Link have said B's defaults have now been removed. But, if Mr S has concerns over B's actions here, he'll need to raise those with B directly.

Not provided evidence they owned the accounts

When buying an account, a debt purchaser is required to send what's called a Notice of Assignment (NoA) and it's these Mr S was asking to be sent to him when he first got in touch with Link on 20 November 2021.

I've seen copies of the letters that were subsequently issued. The first was sent 30 November, and the second 8 December. Both letters were correctly addressed to Mr S at the same address he's provided to our service. Why he didn't receive them I can't say, but it does show Link have acted correctly on this point.

I've seen no evidence to suggest Link had taken over the accounts before 29 November 2021 as they then told Mr S. So, issuing the letters within two weeks is reasonable I think – and that means I don't think they could have sent them on 20 November 2021 when Mr S called. Overall then, I think Link have acted correctly by sending the NoA's when they could – and I haven't identified any errors with them sending them.

I note Mr S disputed the balance owing on one of the accounts. All Link can do in this situation is ask B if the balance is correct. Link did ask, and B did say the balance was correct. If Mr S has ongoing concerns regarding that, then he'll need to speak to B directly – as Link can only act on the information they're given by B.

Talked down to Mr S when speaking to him on the phone

I've listened to the call, and I've not heard Link's agent talking down to Mr S or engaging with him in a way I'd consider inappropriate.

Mr S said he wants to talk to Link about the accounts, Link say they can't talk about the accounts because they're not due to come over to them until 3 December 2021.

The correct date was 29 November 2021, and I understand Link have said sorry for this incorrect information.

But, ultimately, Mr S wanted to talk about the two accounts from B where Link were saying they couldn't because they didn't have the accounts at this moment in time – so they had no information at all about the accounts.

I think Link's agent took a fair approach in terms of what they could or couldn't speak about on the call. I've seen nothing to suggest at the time of this call on 20 November 2021 they had recorded the two accounts that were properly assigned on 29 November 2021 on their systems. This is supported by Link recording on their internal systems the call on another account that'd previously been written off Link had held.

I understand Mr S didn't trust them, or believe they wanted to help him – but given they didn't have any information about the accounts on their system at the time I don't think they could have done anything else.

Not set up Mr S' complaint when he first asked

Our Investigator explained our service can't look into this matter as we've no authority to do so. I've not seen Mr S dispute this, so I won't comment further.

Set up a payment plan without Mr S' authority

Mr S has raised concerns about contact he received in relation to a payment plan. From the evidence I've been provided, I can see B said Mr S had set up a repayment plan with them, and the repayment plan would continue for at least six months with Link.

So, Link were expecting a payment to be made, that wasn't, which is why they then contacted him. Given Mr S had been told by B the payment plan would continue, I think Link were also told by B to expect a payment from Mr S. As a result of that, I don't think Link have done anything wrong – effectively transferring the accounts from B to Link should be seamless and any existing arrangements should have continued at least in the short term.

Mr S in his response to our Investigator said the setup of the payment plan wasn't suitable. But, given the above, this would have been set up by B – and I've not seen Mr S explain to Link the payment plan wasn't suitable before they contacted him.

Overall then, this means Mr S had an existing payment plan with B – at least according to B – and Link were just looking for the existing repayment plan to be kept to but didn't know he wanted to discuss it as he'd not told them this. So, I don't think Link did anything wrong on this point either.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 September 2022.

Jon Pearce
Ombudsman