

The complaint

Mr D complaint about Link Financial Outsourcing Limited trading as Link Financial (Link)'s actions when seeking to collect it bought in his name.

What happened

Mr D had a loan with a business I'll call C. From 2017 onwards, the outstanding balance remained at £9,970. In April 2022 Link sent Mr D a Notice of Assignment (NOA) confirming it had purchased the debt from C and that he should contact it to make arrangements for repayment. C also sent Mr D a Notice of Assignment confirming it had sold the debt to Link.

Mr D complained to Link and it issued a final response. Link said Mr D remained liable for the outstanding balance. Link forwarded a copy of the original credit agreement to Mr D.

Mr D went back to Link and said the original credit agreement didn't show the state of his account at the point it was closed and sold. Link sent a follow up final response, including a statement from 2018. The statement showed the balance was £9,970 when the account was closed by C. The statement shows an adjustment, leaving the account balance at £0 in August 2018.

Mr D referred his complaint to us and it was passed to an investigator. They thought Link had dealt with Mr D's complaint fairly and didn't ask it to do anything else.

Mr D asked to appeal and said he didn't agree that Link had followed the correct process when the debt was purchased. Mr D also said C hadn't notified him of the transfer as he'd only received a copy of its letter as an enclosure from Link. Mr D added that the transfer process should've been completed 28 days *after* he received the NOA and that he hadn't been given adequate notice. Mr D said that Link had failed to answer his complaint or provide him with the outcome of its investigation concerning whether the debt was valid. As Mr D asked to appeal, 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.

I understand Mr D has concerns about the actions of both Link and C. I want to explain that in this decision, I'm only going to talk about Link's actions. I'm not going to make a decision about whether C made mistakes or treated Mr D unfairly. If Mr D has concerns about C's actions, they'll have to be considered separately by that business.

Mr D says Link failed to give the necessary notice when it bought his debt from C. CONC 6.5 talks about the assignment of rights when one business sells a debt to another. It gives the following information:

Where the rights of a lender under a regulated credit agreement are assigned to a firm, that firm must arrange for notice of the assignment to be given to the customer:

1. *(a) as soon as reasonably possible; or*
2. *(b) if, after the assignment, the arrangements for servicing the credit under the agreement do not change as far as the customer is concerned, on or before the first occasion they do.*

Mr D's told us the rules required Link to give him 28 days' notice from the point he received the Notice of Assignment. But I haven't seen anything that shows the way Link purchased Mr D's debt and notified him was unfair.

Mr D's also asked for statements showing the recent state of the account. Link has supplied the statement that shows C closing Mr D's account in 2018. The statement shows there was a debt of £9,970 at the point it was closed. The statement doesn't show any payments or other activity on the loan in the months before it was closed. If Mr D is concerned that the balance Link was assigned when it purchased his debt is wrong, he would need to take that issue up with C directly. I note the statement closed with a £0 balance. But the credit of £9,970 is noted as an adjustment which was used to close the account. The statement doesn't show that the loan was settled following a payment from Mr D.

When Mr D raised concerns over the validity of the debt Link is seeking to collect he asked it to go back to C to dispute it. I know Mr D feels the information it went on to obtain wasn't sufficient for that purpose. But Link obtained a copy of the original loan agreement along with a copy of the final statement that shows there was an outstanding balance when the account was closed. I've also seen copies of the Notices of Assignment sent by Link and C. In my view, Link did supply information that showed it has a legitimate reason to contact him for repayments. I'm sorry to disappoint Mr D but I'm satisfied Link dealt with his dispute fairly.

As I'm satisfied Link dealt with Mr D's complaint fairly I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 22 February 2023.

Marco Manente
Ombudsman