

The complaint

Mr B has complained that Link Financial Outsourcing Limited, trading as Asset Link Capital (No.9), is asking him to repay a loan he didn't take out or benefit from.

What happened

In 2024 Mr B started receiving correspondence from Link Financial about a fixed-sum loan agreement. This was taken out in 2021. He was now being pursued for repayment of £5,843.45. He didn't believe he'd ever benefited from this amount.

He complained to Link Financial, but they confirmed their records showed he'd taken out this loan to pay for tuition fees. The original loan amount was £4,950. They believed the debt now stood at £5,843.45 because no payments had been made and this reflected interest and charges.

Mr B brought his complaint to the ombudsman service. He was initially adamant he'd not taken out the loan.

During her investigations, our investigator discovered Mr B had taken out a loan for further education which he was then unable to continue because of severe ill health. He'd been told that he should pursue the educational establishment to obtain a refund of the capital amount which would enable him to repay the loan. Our investigator was concerned about Mr B's state of health both at the time and subsequently. But overall she felt that it was most likely the loan had been taken out by him. She didn't feel able to ask Link Financial to do anything further.

Distressed by this outcome, Mr B has asked an ombudsman to consider his complaint.

I completed a provisional decision on 25 February, explaining why I believed Link Financial should write off the loan granted to Mr B.

Mr B accepted this outcome. Link Financial provided no response within the timescale for the provisional 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.

Having done so, I've reached the same outcome as I did in my provisional decision. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with

complainants' persuasive testimony.

Existing consumer credit legislation says that a customer can't be held liable for a loan if it was taken out by an unauthorised party. When we consider cases of this nature, we also look at what customers understand about the credit agreement and whether they benefitted from the funds.

Firstly, I can see a fixed-sum loan agreement was taken out in Mr B's name and signed by him on 25 January 2021. I note what he's said about the validity of the agreement as the document was signed using an automated signing service. However, I'm satisfied this doesn't invalidate his signature in any way which I believe is genuine.

The other details of the loan agreement match Mr B's data so I think it is most likely he took it out.

However, it is clear this was for a specific purpose – this was a payment for tuition fees to support his education. I don't believe there's any dispute that this education did not proceed. If Link Financial has any evidence to the contrary, I'll be happy to consider this. But their own customer notes from calls between Mr B and the loan provider would confirm this I believe.

From what I can see from the loan agreement – which was for tuition fees only and not living expenses – the amount of the loan was available under drawdown to the educational establishment Mr B was attending. Link Financial has been unable to provide any evidence to our service of where this sum was paid: *"the information around the account this was paid into would not be held"*. I can't see it being paid directly to Mr B as this would seem to run contrary to the terms and conditions of the agreement.

Other customer notes from calls between Mr B and the loan provider suggest he was encouraged to obtain any refund of the tuition fees direct from the educational establishment. I think for myriad reasons – including what establishment this actually was – I can't see how he was supposed to do this.

It's clear that Mr B has suffered severe health issues and his correspondence with our service demonstrates this continues to this day. I don't believe there's been any benefit to him of this loan. He's neither had the benefit of any educational provision or money.

Nor can I see any evidence from the tone of correspondence between Link Financial and Mr B that they have taken these issues into account. I find this concerning. Link Financial will be aware of the state of Mr B's finances which I think are precarious at best. I have to wonder at their chances of getting anything other than minimal repayments towards this debt.

Having considered all the evidence, I have decided I will be asking Link Financial to write off the loan and stop pursuing Mr B for repayment.

My final decision

For the reasons given, my final decision is to instruct Link Financial Outsourcing Limited, trading as Asset Link Capital (No.9), to write off the loan in Mr B's name and stop pursuing him for the debt.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 April 2025.

Sandra Quinn
Ombudsman