

The complaint

Mrs D complains that Link Financial Outsourcing Limited (Link) has failed to provide her any conclusive evidence the debt they are pursuing her for exists.

What happened

I issued my provision findings on 10 March 2025 (below):

The account in question here is a current account opened with a bank (B) in 1984. The account was opened in Mrs D's maiden name and had an overdraft facility.

B sold the account to a debt purchaser (DP) on 17 December 2021. A Notice of Assignment letter (NOA) was sent to Mrs D in her maiden name, to what appears to be a previous address for her, on 4 January 2022, explaining the sale had taken place and that DP had appointed Link to service the account.

Link appears not to have written to Mrs D at her current address until 2024. When she received letters in 2024, she complained as she didn't recognise the debt and wanted some proof that it existed.

Link took this to mean that Mrs D was saying the account was opened fraudulently. They issued a final response letter not upholding Mrs D's complaint saying they couldn't investigate the matter and she would need to raise the issue of fraud directly with B.

Mrs D was unhappy with this and so referred her complaint to our service. Our investigator didn't uphold Mrs D's complaint, in summary they said:

- DP were responsible for providing evidence of the debt, the balance of the account and the decision to pursue her for the debt. DP were also responsible for referring Mrs D back to the original lender to investigate the fraud allegation.*
- We couldn't look at the things DP were responsible for as they aren't a regulated firm.*
- Link provided a copy of the NoA so they were satisfied the debt had been sold.*
- Link had told our service that the debt originated from a current account with an overdraft and so there is no credit agreement to share as these were not needed at the time of the account opening.*
- Link had dealt with Mrs D in a timely manner.*

Mrs D remained unhappy with the investigator's findings, she argued that she had never alleged fraud but had said she needed to be sure this wasn't fraud so wanted something to verify the debt was hers.

As no agreement was reached the matter has been passed to me to decide.

What I've provisionally 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've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me.

I'm aware our Investigator said there were elements of this complaint that Link weren't responsible for. But, in my view by appointing a regulated debt servicer, DP passes on responsibility for all actions under Article 60B(2) to Link. So, I'll be taking the approach that Link is responsible for the activity of exercising the lender's – in others words the owner of the debt (DP) – rights and duties under a regulated credit agreement. So, I'll be considering these elements against Link.

Having thought about everything I think there has been some misunderstanding here when Link have been dealing with Mrs D's concerns. Mrs D hasn't alleged the account was taken out fraudulently or that Link is acting fraudulently in trying to collect the outstanding balance. She has simply been asking for some information so she can try to verify the debt is hers before paying it, which doesn't seem unreasonable. And I think they could have done more to help her with this.

The expectation on a debt servicer, in this case Link, is that when a consumer disputes a debt's validity, they provide any evidence they can to the consumer so they can satisfy themselves the debt is theirs.

It appears from Link's system notes that they sent a copy of the NoA to Mrs D in 2024, and although it does quote an account number and gives the name of B. It doesn't set out the type of account that the debt originated from or give any information to show how the debt was accumulated. That's not to say that a NoA would normally contain this information, but as Mrs D is saying she doesn't have enough information to recognise the debt I would have expected Link to have helped her and given her some clarification here. And I think the things noted would help Mrs D remember the account if it was something she had forgotten, which is entirely possible due to the age of the account.

I can see the account number referenced on the NOA – relates to a sort code (first six digits) and bank account number (last eight digits). But I can't see that has been explained to Mrs D by Link. I've also seen from the notes Link has provided to our service the last statement date on the account was 17 November 2021. I think Link should have asked B for a copy of this and provided it to Mrs D, especially as there is no credit agreement in place for them to provide.

So, it follows I'm satisfied that Link could and should have done more to help Mrs D satisfy herself the debt is hers. Had they assisted her better with her concerns they would have saved her time, inconvenience, and worry.

Putting things right

To put things right Link should:

- *Ask B for statements of the account and if they are able to get these provide them to Mrs D*

- *Assist her by giving her as much information as they have about the account, such as when the account was last used, when the last payments were made to it, where the account was opened and any other information that may be useful for her to identify the account as hers.*

- *Pay Mrs D £100 for the unnecessary inconvenience and worry she has suffered.*

My provisional decision

For the reasons set out above, my provisional decision is that I will be upholding Mrs D's complaint and I will Link Financial Outsourcing Limited to carry out the actions as set out under the 'Putting things right' section of this decision.

I invited both parties to respond giving me any new comments or arguments.

Mrs D accepted my findings. She also let me know that she had contacted B directly to get details of the account and they had now taken full responsibility for the outstanding balance.

Link responded saying they thought the outcome I had reached was wrong because Mrs D had since contacted B to say it was fraud, and she wouldn't have done that if she thought it might relate to her. As she thought it was fraud any further information, they could have given her could have possibly led to a breach of GDPR. To support their argument, they sent an extract of an email Mrs D sent to them that said:

As I am sure you will appreciate, there are many financial frauds in circulation, and my immediate suspicion – based upon the above facts - is that this may well be one!

Therefore, please provide me with full details of this alleged agreement and its terms, when and how it was taken out, for what purpose, and all the original paperwork showing my authorised consent.

They also said B had since accepted it was fraud and taken the account back.

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've thought about the points Link have made but I'm not persuaded by their arguments, I'll explain why.

Mrs D didn't approach B to say the account was fraudulently opened, she contacted them to get some more information about the account to see if she could identify it, as Link hadn't provided her with any help in doing so when she had raised the matter with them. So, I don't agree with Link's statement that if Mrs D thought there was any possibility it was hers, she wouldn't have contacted B, and I don't agree helping her to identify the account would have breached GDPR as Link were satisfied the debt was hers and were contacting her about paying it. And in any event the account did turn out to be hers.

Mrs D has kindly forwarded the letter she received from B and they did not as Link have suggested accept the account was fraud. I've summarised what B told Mrs D:

The account hadn't been used since 2001 and had been overdrawn by a very small amount then – the terms of the account meant there needed to be a credit every three months. Given there hadn't been any credits since December 2001 B should have started the closure

process on the account by May 2022. Due to a system error that hadn't happened, and the account had been subject to fees and charges leading to the account defaulting in November 2021, and eventually being sold on with the higher balance that Link had contacted her about.

B agreed to have the default removed from Mrs D's credit file and arranged to buy the account back and write off the outstanding balance.

Lastly turning to the extract Link sent from Mrs D's original email – when read in the context of the email it's clear she isn't saying this account was opened fraudulently but is making a sweeping statement that there is a lot of fraud happening and this too could be fraud – which is why she needs more details before paying.

Bringing all of this together, I am still of the mind that if Link had engaged more with finding out the specifics of the account to help Mrs D, the same outcome would have been reached as has been now, - that B shouldn't have sold the account on and would have bought it back - just much sooner. So, I see no reason to depart from my provisional findings that Link could have and should have done more to help Mrs D identify the account and how the outstanding balance had been accrued.

Putting things right

B have now completed most of the remedy I suggested and so all that is left for Link to do is to pay Mrs D £100 for the unnecessary inconvenience and worry she has suffered.

My final decision

For the reasons set out above, my final decision is that I uphold Mrs D's complaint and require Link Financial Outsourcing Limited to carry out the actions as set out under the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 14 April 2025.

Amber Mortimer
Ombudsman