

The complaint

Ms T complains that Link Financial Outsourcing Limited (Link) treated her unfairly when they reneged on their acceptance of her settlement offer.

What happened

I set out the background to this complaint and my initial findings in my provisional decision dated 6 March 2025 (below)

Link were appointed to administer Ms T's account when it was sold by the original lender to a debt purchaser (DP) in December 2023. The DP appointed Link to service the account.

In March 2024 the balance outstanding on the account was £4,738.31. Ms T wrote to Link on 7 March 2024 with a settlement offer of £236.92, Link didn't respond to this. So, on 12 March she wrote to them again asking them to consider the settlement offer.

On 16 March 2024, Link sent Ms T an email saying they would accept her offer of £236.92 to settle the account. Ms T's then partner made a payment to link for this amount on 19 March 2024.

The following day Link emailed Ms T explaining that the email accepting her offer had been sent in error and that they couldn't accept it in settlement of the account as it was too low. They gave her a revised settlement amount of £3,790.65.

Ms T was unhappy with this and said that she had made the payment in good faith and felt Link shouldn't be able to go back on the agreement. She asked that the account be closed and her credit file to be updated to show the account as settled.

Link dealt with her request as a complaint, which they upheld for the loss of expectation and offered Ms T a £100 compensation, but said they couldn't accept her offer in settlement of the account. Ms T remained unhappy with this and so brought her complaint to this service.

Our investigator partially upheld Ms T's complaint in summary they said:

- *Link made an error when they told Ms T she could settle the account and they didn't need to stand by that error*
- *Link should refund Ms T the payment she made of £236.92 as she wouldn't have made the payment but for their error*
- *Link aren't responsible for the decision to accept the offer as this is the responsibility of the DP*
- *Link aren't responsible for any reporting of the account to the Credit Reference Agencies as this is also the responsibility of the DP.*

Ms T disagreed, so 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 wasn'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.

Link have accepted that they made an error when sending the email saying they would accept Ms T's offer of settlement. While it is unfortunate that this was sent to Ms T, Link have confirmed it was an administration error. And it wouldn't be fair or reasonable for me to expect them to honour the mistake, in the same way I wouldn't expect Ms T to stand by a mistake if she had made an overpayment to Link. Following the investigator's view Link have accepted that Ms T may not have made the £236.92 payment but for this error and have offered to refund this to her.

I think this is the right way to put her back in the position she was in before the error occurred. And leaves her in a place where she can, if she chooses to, re-enter into negotiations to settle the account or set up a payment agreement.

Link already offered Ms T £100 as an apology for any inconvenience, so I need to see if that reflects the impact the error had on Ms T. In doing so I have to think about the impact of the error itself. I can't ask Link to pay compensation for other factors that aren't attributable to their mistake.

Ms T has told us that she has been through a very difficult time both financial and medically. She has told us that she has some ongoing medical complications, and she has recently lost her business. Ms T has my complete sympathy for her personal circumstances, and I can only imagine the stresses these issues have caused, but I can't fairly say these have been caused or impacted by Link's error.

Ms T's previous partner made the payment to Link on 19 March 2024, Link let her know the following day they had made an error. So, Ms T only believed the account to be settled for one day. Even so, I appreciate this would have been upsetting for her and that there has been a loss of expectation here.

I understand Ms T wanted her credit report to show the account as settled and this was part of the reason this was so upsetting for her. I think it might be useful to explain to Ms T here that even if Link had accepted her payment in settlement of her account her credit file wouldn't reflect the account as settled. It would show the account to be partially settled which lets other prospective lenders know that she didn't clear the debt in full. So, this would likely still have had an impact on how lenders viewed her creditworthiness.

I understand that this will be disappointing for Ms T as she was hoping for a different outcome here, but taking all of the above into account, I think Link's offer of £100 and

its agreement to refund Ms T the payment that was made is a fair resolution to this complaint, so I won't be asking them to do anything more.

Putting things right

On acceptance of this decision I require Link to refund Ms T's payment of £236.92 and if they haven't already they should pay her the £100 compensation they offered in their final response letter.

My provisional decision

For the reasons set out above, my provisional decision is that I uphold this complaint.

I invited both parties to let me have anything in response they thought was relevant.

Link accepted the findings.

Ms T said she wanted to check with Link to see if they wanted to accept her original offer and said she would respond further when she had spoken to them. Our investigator called Ms T to remind her the deadline to respond was approaching and told her unless we heard back from her by 20 March 2025, I would issue my final decision. Ms T understood this but didn't contact us again.

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.

As neither party has made any further representations, I see no reason to depart from the findings in my provisional decision that I uphold Ms T's case.

Putting things right

As set out in my provisional findings, Link should refund Ms T's payment of £236.92, and if they haven't already, they should also pay her the £100 compensation they offered in their final response letter.

My final decision

For the reasons set out above, my final decision is I uphold this complaint and now require Link Financial Outsourcing Limited to carry out the actions set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 18 April 2025.

Amber Mortimer
Ombudsman