

The complaint

Mr M complains Link Financial Outsourcing Limited have refused to correct the account balance on his debt, and he says they've failed to provide transparency regarding their debt collection practices.

What happened

Mr M says his account was transferred from his original provider – who I'll refer to as C – on 18 October 2024. It was bought by a debt purchaser, who then asked Link to service the account. Mr M says C confirmed before the transfer the outstanding balance was £251.66 following his final payment to them of £27.96 on 17 October 2024.

But, Mr M says Link reported the balance outstanding initially as £1,171.76, then £339.62, and are telling him at the point of contact he's in arrears by £12.17 which is wrong. Mr M says Link have failed to provide any breakdown of these figures – and he's concerned Link say he's in a repayment plan for arrears which isn't correct. Mr M also believes Link have added charges to his account, as C confirmed no extra fees were applied before the sale.

Link said they'd contacted C who said the balance was correct. Link provided a transaction list and said these are the payments received since they were assigned the account.

The transaction list says the account was assigned for Link to service on 4 October 2024 – and shows the following:

- 04/10/2024 – opening balance £1,171.76.
- 28/11/2024 – multiple credits from the vendor - £12.17, £2.35, £14.60, £500, £39.50, £129.64 and three payments of £27.96.
- 20/01/2025 – one payment from the vendor - £27.96.
- 17/02/2025 – balance at this time of £311.66.

Link also said they hadn't added any charges to the balance of the account.

Unhappy with this Mr M asked us to look into things. As part of our standard process, we asked Link for their file. Included in this was a Notice of Assignment (NOA). This is the document sent to tell customers their account has been sold by the original lender to a debt purchaser. The NOA says Mr M's account was sold on 4 October 2024 and had an outstanding balance of £1,171.76.

There was also a statement dated 14 January 2025, which said Mr M had missed a payment of £12.17 which was due on 30 December 2024 – and if the payment wasn't made, then the full balance of £339.62 would become due.

Link's explanation for all of this was:

- When they initially disputed the balance with C, they were told the balance was correct and C had attached statements
- C hadn't attached statements, but these have now been provided

- C had made errors in sending over payments towards Mr M's account
- Multiple payments hadn't been added to the balance of the account until after assignment (the payments I've listed out above)
- The £12.17 was a payment plan C had told Link was still in place
- A further £60 payment made on 17 June 2024 hadn't been credited to the account either – once that was, then the balance would be what Mr M said it should be.

One of our Investigators considered all of the information provided, and found Link hadn't done anything wrong, so didn't uphold the complaint.

Mr M didn't accept this, saying:

- He disputed he was in a payment plan for £12.17 a month when the account was sold by C to Link – explaining this was in place February to June 2024 but then he repaid any arrears through a lump sum payment and went back to his contractual monthly repayment.
- Because of that, Link didn't have any reason to think he was in a repayment plan.
- He also felt Link shouldn't have continued to pursue the balance while it was in dispute – despite Link's explanations the balance hadn't been defaulted so they needed to let him know relevant information.
- Even though the issues may have been down to C's delay in sending payment, it's not his fault and Link had every opportunity to clarify things.

Our Investigator found C had told Link Mr M was still in a payment plan and that Link were entitled to rely on this. But, as they couldn't come to an agreement the complaint's been passed to me to decide.

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 explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

I also need to explain that I can only uphold a complaint against Link if I'm satisfied they've either made an error, or exacerbated any distress caused to Mr M as a result of their actions or inaction. I also can't make any finding as to whether C have made an error, as this complaint is only about Link's actions.

Disputed balance

As a starting point, debt servicers are generally entitled to rely on the information they've given by the original lenders unless there is reason to believe the figure could be wrong. So, when Link were told by C the balance was £1,171.76 there was no reason for them to think otherwise.

The date Link had this information was as at 4 October 2024 when the account was assigned to the debt purchaser, who in turn asked Link to service the account. When Mr M disputed the account, as I'd expect, Link raised this with C. Link have shown through the statement that payments weren't then received until 28 November 2024. Why C told Mr M

the balance was £251.66 while telling Link something different I don't know – but after receiving extra payments Link did then amend the outstanding balance as I'd expect.

Even after 28 November 2024 only one more payment was received for the statement I have – a £27.96 payment on 20 January 2025. It's unclear to me when Mr M made this payment to C – but Link weren't made aware of it until three and a half months after assignment.

At this point, the balance is now £311.66 – which is £60 more than Mr M still expected. In April 2025 Link have told us the £60 is still being sent across – so six months after assignment it seems Link still hadn't received all of the payments.

I can understand Mr M's frustration and shock at receiving a letter from Link telling him he owed close to a thousand pounds more than he actually did. But, based on all of the above, Link were legitimately relying on what they were being told. As such, I don't think it'd be fair for me to uphold this issue against Link given they weren't responsible for the wrong information, even though they communicated that wrong information.

In respect of how I think they handled Mr M's disputes I think it's clear there have been delays, which is disappointing – but again I'm not sure I can say the blame for those delays is due to Link's errors. From what I can see, Link disputed the entries and have had multiple conversations with C about his account – and they are reliant on C responding. So, I don't uphold this element of Mr M's complaint either.

Disputed payment plan

Mr M says he was only in a payment plan for a few months with C, and that ended in June 2024. By the time the account was assigned to Link Mr M says he was making his regularly contractual monthly payments again which Link should have known since his last one was 17 October 2024.

Link say Mr M's account hadn't been defaulted, so because of that each month a payment was due – and they understood from C he was in a payment arrangement.

Although I understand Mr M's perspective, the key issue for me to think about is what did Link know at the point they contacted Mr M saying he was in arrears.

I've set out the payment history above – this shows no payment was received in December 2024 by Link. So, as far as Link know, Mr M hasn't made a payment on a live account – and they're correct in saying on a live account Mr M must keep to the repayment terms which require a payment every month.

We've also asked Link what they were told by C – and Link have shown us they were told by C that Mr M was in a payment plan of £12.17 a month.

Given this, although I understand Mr M's frustration, I don't think Link have acted unfairly by assuming he was in a payment plan. And, when they didn't receive a payment, letting him know they hadn't received a payment they expected to.

I agree completely with Mr M there has been a lot of confusion here, but based on everything I've seen I don't think Link are the source of this. I think Link have done the best they can in difficult circumstances for them. It's quite unusual to see a scenario where a debt servicer says the original lender has provided incorrect information to them.

Summary

I don't want to downplay at all Mr M's experience here, as I do agree he's been put to quite a lot of inconvenience, but as I explained at the start unless that was Link's fault I can't uphold

the complaint against them. As I've found it wasn't Link's fault, I don't require them to take any further action.

Separately I've noted Mr M has asked if this case could be combined with a complaint against C. That isn't something we can do, as we only ever look at complaints against the named financial business. But, if Mr M does complain to C, and then brings the complaint to our service, our Investigator and Ombudsman would have a legitimate reason to look at the evidence on this case if it helped them.

Finally, I've noted Mr M has talked about his account being defaulted. This isn't something we can look into, as Mr M would have to raise a complaint to the entity that defaulted him first.

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 M to accept or reject my decision before 8 October 2025.

Jon Pearce
Ombudsman