

The complaint

Mr C complains that Link Financial Outsourcing Limited (Link) are pursuing him for a debt where the balance is in dispute.

What happened

In 2021, Mr C took a loan of £2,000 with a company I'll refer to as V. The loan had a withdrawal clause that if the money was repaid in full within fourteen days no interest would be payable. Mr C paid £2,000 to V on the fifteenth day after he took the loan out. V told him that as he had missed the cut off to withdraw from the loan the interest of £943.60 would be payable.

Mr C complained to V about this; they didn't uphold his complaint. Mr C referred his complaint about this to our service but did so too late for us to consider it. Mr C didn't make any payments towards the outstanding interest and in March 2025 V sold the account to a debt purchaser. The debt purchaser appointed Link to service the account.

Link and V sent Mr C joint Notice of assignment (NOA) letters on 8 May 2025. Shortly after this Mr C contacted Link and said the amount was in dispute. Link contacted V to query this but were told that V had given their answer about the dispute to Mr C in October 2021, so there was no active dispute.

Mr C has complained that Link shouldn't be pursuing a debt where the balance is in dispute and as they are now responsible for collecting the debt they should also be responsible for solving the dispute. He has also argued the interest being charged for the loan is disproportionate to the time the loan was in place.

Our investigator didn't think Link had done anything wrong and so didn't uphold Mr C's complaint.

Mr C disagreed and so the matter has 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 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. If I've not reflected something that's been said in this decision, 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.

In this decision I can only consider the actions of Link, I can't take into account anything that has happened before they were assigned to service the debt including the actions taken or answer given by V.

Mr C has said the balance is in dispute and so he shouldn't be pursued for it. But I don't agree. The balance was in dispute in 2021, when Mr C raised the issue with V, and they gave their answer but it isn't currently in dispute. This is because even though Mr C didn't agree with V's answer our service couldn't look into this as Mr C didn't bring it here on time. As Mr C didn't take any other actions, in regard to him disagreeing with the outstanding balance I think it's reasonable to say the balance is no longer in dispute. This means at the time Link began pursuing the debt there was no active dispute in place, so, I don't think they acted unfairly in trying to collect the debt.

I have considered if they did what they should've done when Mr C contacted them though. And I'm satisfied they did. I say this because they raised a query with V as soon as Mr C contacted them, to satisfy themselves the debt was valid and owing. This is what I'd expect them to do and is what the rules say they should.

I understand Mr C feels the balance owing is unfair and I appreciate that he would like Link to unwind what has happened, but I won't be asking them to do that as Link aren't responsible for the actions and decisions that were made by V. Mr C doesn't have the option to bring his complaint against V about the balance being fair to this service for the reasons I've already explained, but that doesn't mean that he couldn't pursue other avenues if he chooses. But unless he does so Link are entitled to pursue the full balance as it stands, as it is valid and owing.

I realise this outcome will be disappointing to Mr C, but my decision brings to an end what we – in trying to resolve his dispute with Link – can do for him.

My final decision

For the reasons set out above my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 October 2025.

Amber Mortimer
Ombudsman