

The complaint

Miss S complains Link Financial Outsourcing Limited trading as Asset Link Capital (which I'll call "Asset Link") unfairly declined her request to settle two loans using her credit card.

What happened

I issued my provisional decision on 12 December 2025. An extract from that decision can be found below.

Miss S entered into two regulated fixed-sum loan agreements in around 2018 and 2020 to finance her tuition fees. Those loans were assigned to Asset Link in November 2022, following a bulk purchase of loans from the previous lender.

On 30 October 2024, Miss S asked Asset Link if settling the loans early incurred penalties. In response, Asset Link emailed Miss S settlement quotations on 1 November 2024.

On 9 November 2024, Miss S asked if Asset Link would accept her credit card to settle the loan balances, as she wanted to transfer the balance to a credit card with a 0% interest offer. Asset Link said it didn't accept credit cards, following which Miss S raised a complaint.

Miss S said neither legislation nor the agreements prohibited the use of a credit card to settle the loans. She said Asset Link should accept credit cards as a legitimate payment method.

In its final response dated 11 February 2025, Asset Link agreed legislation didn't prohibit the use of credit cards to settle loans. But it pointed out no legislation compelled a company to accept credit cards either.

Asset Link also said the reason it doesn't accept credit cards is to protect its customers from getting into financial difficulties, who may want to use a credit card to keep up with their monthly repayments. To prevent its customers from repaying credit with credit, its systems don't allow it to accept credit card payments.

Our investigator thought Asset Link acted fairly for broadly the same reasons. As Miss S disagreed, the complaint has come to me for a decision.

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.

This includes the relevant provisions of the Consumer Credit Act 1974 (CCA), the Consumer Rights Act 2015 (CRA), the Financial Conduct Authority's rules in the Consumer Credit Sourcebook (CONC), and good industry practice. Where it's unclear what's happened, my conclusions are based on what I think most likely happened given the information available.

I've summarised the complaint in my own words, and I won't be responding to every argument. No discourtesy is intended by this. Our rules allow me to do this given the

informal nature of our service. If I've not mentioned something, it isn't because I've ignored it. Rather, I'm satisfied I only need to focus on what I consider key to reach a fair outcome.

The parties agree Miss S's obligations to repay her loans come from the original agreements she signed. What's disputed is whether Miss S has a right (contractual or otherwise) to require Asset Link to accept a credit card repayment to settle the loans.

Contractual rights and obligations regarding payment methods

I've carefully reviewed both loan agreements. I cannot see anywhere that states or clearly implies that Miss S has a right to settle the loan using her credit card. Instead, the agreements refer to other repayment methods such as "direct debit" and "debit card".

On the first page of the loan agreements, under the heading "Repayments", the agreements state "Scheduled monthly repayments must be made by direct debit."

The standard terms then go on to say, under clause 2.2, that "You agree to make all repayments in full and on time by direct debit."

The agreements also confirm Miss S's statutory right under section 94 of the CCA to repay the loans early, in whole or in part. Under clause 7.2, which Miss S had also referred to in her email dated 13 November 2024, it states:

"You cannot redraw any early repayment. Any full or partial settlement payment that is made by a payment method other than by debit card payment and made on a non-working day will be credited to your Account on the next Business Day."

Credit cards aren't mentioned anywhere in the agreements. The only card referred to is a "debit card" in clause 7.2. I've also seen nothing to suggest that, when Miss S took out the loans, the lender said she could repay her loans with a credit card.

I accept clause 7.2 indicates settlement payments may be made by methods other than a debit card. But it doesn't follow from this that the lender must accept any particular alternative method, such as a credit card. The agreement leaves it open to the lender to decide what other payment methods it's prepared to accept.

I've also considered whether these payment method terms are potentially unfair under section 62 of the CRA. I don't think they are. The requirement to pay scheduled monthly repayments by direct debit is set out clearly. The early-settlement provisions don't prevent Miss S from repaying early. And I haven't seen anything to suggest the terms create a significant imbalance to Miss S's detriment or that they were relied on in bad faith.

It follows I don't think the agreements required Asset Link to accept a credit card payment to settle the loans.

Regulatory obligations

I haven't seen anything in the relevant rules or regulations that requires lenders or debt purchasers to accept credit card payments for loan repayments or settlements.

Firms do, however, have to comply with Financial Conduct Authority rules and must act fairly and reasonably towards customers. They should not put unreasonable obstacles in the way of customers who want to repay or settle.

In this case, Asset Link did not refuse to accept repayment or settlement. It refused one specific method (credit card) that its systems don't allow it to accept. And it was prepared to accept other common methods of repayment — such as a debit card or bank transfer.

I also accept Asset Link's explanation that it doesn't accept credit cards to settle loans as a matter of policy to reduce the risk of customers borrowing to repay borrowing. This could otherwise lead to additional costs if the customer cannot clear their balance. I also note that such a policy is common in the industry.

Taking everything into account, I don't find Miss S has a contractual or other right to require Asset Link to accept credit card payments. And I don't think Asset Link acted unfairly or unreasonably by refusing her request to settle the loans with a credit card.

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.

Neither Miss S nor Asset Link responded to my provisional decision by the deadline.

As I've not been provided with any new comments or evidence that would lead me to change my position, my provisional decision therefore becomes my final decision on this complaint.

My final decision

For the reasons give above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 24 January 2026.

Alex Watts
Ombudsman