

complaint

Miss C complains that Link Financial Outsourcing Limited didn't contact her after taking over her debt with another company. Miss C also says Link recorded a default on her credit file incorrectly.

background

Miss C had a credit card account with another business that was defaulted in February 2016 and sold to Link around September 2016.

On checking her credit score in 2018, Miss C saw it had fallen. Miss C contacted her credit reference agency (CRA). The CRA said Link had recorded her account as in default on her credit file. Miss C says this affected her credit score and stopped her getting credit elsewhere.

Miss C complained to Link, saying she hadn't been made aware it had bought her credit card debt. Miss C told Link it shouldn't have added a default to her account – her credit card company had already recorded a default for the same debt.

Link wrote to Miss C saying it knew her credit card provider defaulted the account in February 2016. Since Link took over the debt, it's legally obliged to report factual information about the account. Unhappy with this response, Miss C referred her complaint to our service and provided a copy of her credit file, on which Link had recorded her account as in default.

Link gave us its contact notes, which say it sent text messages to Miss C's mobile number from October 2016. Link also wrote to Miss C in November 2016 at the address she lived at until December 2016. This letter said Link had bought Miss C's debt and was prepared to honour the informal repayment arrangement Miss C had with her credit card provider.

Link's contact notes say Miss C moved home in January 2017. And in October 2017, Link linked Miss C's account and wrote to an address Miss C has never lived at. Link was alerted to this by a CRA in April 2018. Link said it had been told in September 2017 that Miss C moved out of the address it previously wrote to November 2016. The new occupant of this address told Link Miss C had moved to the address it wrote to in October 2017. Link has since updated Miss C's address.

Our investigator didn't uphold Miss C's complaint, saying Link had sent text messages to Miss C's mobile number and written to her old address whilst she was still living there. Our investigator thought it was likely Miss C received Link's letter as it was correctly addressed and thought Link had taken reasonable steps to contact her.

Our investigator didn't think Link acted incorrectly in writing to the address it was given in September 2017, as Miss C hadn't told Link she'd moved and Link could only go on the information it had been given. Our investigator was satisfied Link did all it could in the circumstances to contact Miss C about her debt.

Miss C remained of the view that Link used the wrong address and wanted Link to compromise on the debt she owed and the default on her credit file. Miss C also said she was now having trouble getting in touch with Link to agree how the debt should be repaid. Our investigator explained Link is obliged to report factual information to credit reference agencies, so couldn't ask Link to compromise on the information it recorded on her credit

file. Our investigator said Link wasn't obliged to compromise on the debt owed but did have to engage with Miss C to agree an affordable repayment plan.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with our investigator's opinion, and for the same reasons. I'll explain why.

Having reviewed Link's contact notes which show the text messages and the letter it sent to Miss C in October 2016, I think Link took all reasonable steps to make her aware Link had taken over her credit card debt. I note the letter gave Miss C details about how to get in touch and make payments towards the debt.

Miss C says she would've paid the debt off sooner had she been made aware Link had taken over. As above, Link wrote to Miss C and sent her text messages so I think it did enough to make her aware of the debt. Even if Miss C didn't receive Link's letter sent in October 2016, Link still sent her text messages and Miss C could also have contacted her credit card provider if she was still unsure who to contact.

After Link wrote to Miss C, it was given a new address to write to by a third party. I understand this impacted Miss C's credit file, as her debt was now linked to an address she didn't live at. But I don't think it was unreasonable Link used the new address, as it hadn't been updated by Miss C after its attempts to contact her. And after as Miss C got in touch with Link, it amended her address. Miss C says her credit score improved as a result.

I know Miss C wants Link to compromise on the default on her credit file and the amount she owes. Link recorded the default on this account as being registered in February 2016, which is the date Miss C's credit card provider defaulted her account. So it doesn't appear that Link has recorded any inaccurate information. Miss C provided a copy of her credit file. Having reviewed it, Link's entry shows the same default date, default balance and account start date as the entry made by Miss C's credit card provider. So I think it's clear the two entries relate to the same debt. And Link is obliged to record accurate information about Miss C's account to credit reference agencies, so I wouldn't ask it to remove any accurate information it's recorded.

Link isn't obliged to accept less than the outstanding balance owed on Miss C's account, but it should engage with her to agree an affordable repayment plan. Miss C is still able to make a new complaint to Link should it fail to meet its obligations here.

my final decision

I appreciate my decision is likely to disappoint Miss C, but I don't uphold her complaint for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 30 May 2019.

Vicki Blackwood
ombudsman