

complaint

Ms V complains that Link Financial Outsourcing Limited (Link Financial) is chasing her for a debt she doesn't believe she owes. She would like the debt written off.

background

Ms V says that Link Financial is pursuing her for an initial debt of £6,570.89 which has now risen to £11,581.55. She believes the debt may relate to a kitchen loan and/or to a mortgage she had in 2006. She sent in a letter from the mortgage company confirming there was no outstanding short fall on the debt.

Ms V also says she has health problems and the debt Link Financial is chasing her for is causing her considerable stress.

Link Financial confirmed the debt didn't relate to Ms V's mortgage. It said the debt related to a kitchen installation. It said it was aware Ms V's property had been re possessed which led to its Final Charging Order being lifted on 1 January 2010. This had originally been obtained to secure the account against the property. It said there was still however an outstanding balance that Ms V owed.

my provisional findings

I issued a provisional decision in which I found:-

- Ms V believed the loan had been settled when her house was sold and that her ex-partner dealt with any outstanding debts
- There was no copy of the original loan agreement that I could consider – Ms V wasn't able to provide this and neither was the loan company who we contacted direct.
- Ms V told us the loan was in joint names so she was liable for the loan
- Link Financial had comprehensive records on the loan in question. Its account records showed the account was only in Ms V's name.
- Link Financial was in regular contact with Ms V by letter, phone and email from 2006. It sent annual statements and corresponded with a debt management company over several repayment offers. I found it was unlikely Link Financial would hold such detailed records for Ms V, or it would have been asking her to repay the loan over such a long period of time, had it not been provided with information from the credit provider showing Ms V was liable for the loan.
- Link Financial's records show details of post being returned. I found no evidence that Ms V updated her address details. I believed Link Financial did send all the correspondence as detailed on its records.
- On 27 February 2015 there was an entry on Ms V's account noting an intranet request to change the primary account holder, who was bankrupt, with an additional person. Link Financial noted the additional person would still be liable for the loan. I couldn't be sure if this information was correctly recorded as it implied the primary

account holder was Ms V's partner, who had been made bankrupt, not Ms V. However as the account was in Ms V's name and the majority of the account entries related to her I concluded she was the primary account holder.

- From 2010 Link Financial's records show details of correspondence with Ms V's partner including details of his insolvency.
- Looking at all the information I had I found it likely the credit agreement was either solely in Ms V's name or it was a joint agreement with her partner. The latter would make Ms V jointly and severally liable for the outstanding debt.
- Ms V's partner was made bankrupt and the information on the bankruptcy order showed a debt to Link Financial for £12,028 for a kitchen loan. Although this figure didn't exactly match the figure of the loan in question it was near enough for me to conclude that Ms V's partner intended to declare the whole of the outstanding debt to Link Financial on his bankruptcy application.
- When someone is declared bankrupt a business is usually entitled to pursue other liable parties for what is owed. As I concluded the credit agreement was either in Ms V's name or in joint names with her partner this did make Ms V liable for the outstanding debt. And that this debt couldn't be covered by her partner's bankruptcy.
- Ms V was liable for the outstanding debt.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint

Link Financial hasn't come back with any comments on my provisional decision for me to consider. However Ms V has made various points which I have considered very carefully.

Firstly Ms V says the building society advised her that after repossession of the property the house would be sold and all debts written off.

I have gone back and looked at the letter Ms V provided from her building society – that refers to there no longer being any sums payable with regard to her mortgage or a personal loan. The letter doesn't state what the personal loan covers so I do not know what that relates to.

But as the letter makes no reference to any outstanding credit agreement and /or loan relating to a kitchen installation I don't think I can reasonably conclude that the loan now in question was resolved when the building society repossessed the house.

I have also gone back to the information Link Financial provided us with. It confirmed it had a charge on the property in relation to a loan for a kitchen installation. And that it was aware the property had been re possessed so as a result its charge on the property was lifted on 1 January 2010 but there still remained an outstanding balance.

Ms V's second point is that she feels as he has had no contact from Link Financial from when she left the property in 2008 the balance it is seeking from her is statute barred.

I don't agree with this. Link Financial has provided us with comprehensive details of Ms V's account. I have looked back over this information and it's clear that Link Financial were in regular contact from 2006 to now. The list of the correspondence is too numerous to note here but for example it shows an offer, I assume of repayment terms, accepted in March 2009, a repayment offer of £62.92 per month in 2010 and another repayment offer in 2011 along with numerous other correspondence and/or contact with Ms V..

I accept Ms V didn't get all of the correspondence Link Financial sent to her as its records show some correspondence as returned. I can't see any evidence that Ms V updated Link Financial with any change of address details so I think that would explain why she didn't get some correspondence. But I don't think Link Financial can be held responsible for that. And I think Link Financial was proactive in tracing Ms V via credit reference agencies.

I accept Ms V's third point that there is no record of the original credit agreement. I noted that was frustrating in my provisional decision. But clearly there was an agreement – Ms V has told us there was, it's mentioned in Ms V's partner's bankruptcy application and Link Financial has provided us with detailed account information. It would have helped to have had the agreement but I can't reasonably tell Link Financial to write off the outstanding debt just because no one can provide details of the original credit agreement.

Finally Ms V says this debt has never shown on her credit agreement. I haven't seen a copy of Ms V's credit agreement to confirm this. I can't explain why the debt isn't showing on her credit file – I would have expected it to do so. However I feel I have sufficient information to show there was an agreement and there is still an outstanding debt for which Ms V is liable.

Having carefully considered all of Ms V's points I see no reason to change the view from my provisional decision which is that Link Financial is entitled to pursue Ms V for the debt in question.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 9 October 2019.

Bridget Makins
ombudsman