

complaint

Mr C complains that Link Financial Outsourcing Limited ("Link") is chasing him to pay a debt he doesn't owe it, and is wrongly showing this debt on his credit file.

background

Our adjudicator didn't recommend that this complaint should be upheld. From enquiries she had made, it appeared that Mr C opened an account with a bank I'll call "Bank D" in August 2008. The last payment into the account was made in October 2008. But interest and charges continued to accrue on the account.

The account was defaulted in August 2011, and in December 2014 Bank D assigned the outstanding debt of £136.02 to Link. Both Bank D and Link wrote to Mr C to tell him of the assignment, but Mr C didn't contact Link until he made the present complaint.

The adjudicator was satisfied that Mr C was aware of the account and had used the funds in the account, that Link had correctly notified him of the assignment, and that the outstanding debt to Link was legitimate.

Mr C had queried why entries from both Bank D and Link on his credit file referred to the debt of £136.02. He thought there was a duplication. The adjudicator explained that the entry by Bank D showed that his account was defaulted in August 2011, but then refers to the debt as satisfied. This was correct, because Bank D sold the debt to Link and so it then had no debt on its books.

The entry by Link showed that it was owed £136.02. This was also correct as it now owned the debt and was owed £136.02 by Mr C. She said that Mr C should now contact Link to arrange a suitable repayment plan.

Mr C responded to say, in summary, that;

- he hadn't been provided with any proof of the original debt;
- he didn't understand why, if Link had repaid the debt to Bank D, there was still any debt outstanding for him to owe;
- having two listings on his credit file for the same amount was misleading; and
- he thought the Bank D listing showing the debt as settled was correct, and the Link listing was an error.

my findings

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

I'm satisfied from the account evidence that Bank D has produced that:

- Mr C did operate an account with Bank from August 2008 onwards;
- it was defaulted by Bank D in August 2011; and
- the debt was sold/transferred to Link in December 2014.

Bank D and Link took steps to tell Mr C about this transfer. Link provided its contact details. But Mr C didn't respond. The fact that Bank D transferred the debt to Link and treated it as

settled in its books doesn't mean that the debt ceased to exist. It means that Mr C now owes the debt to Link instead of to Bank D.

So the two entries on Mr C's credit file are both correct. Bank D's entry shows it was owed £136.03 by Mr C, but in its books this is settled (because it has sold the debt to Link). Link's entry shows, correctly, that it is owed £136.02 by Mr C which hasn't been repaid.

my final decision

For the reasons I have set out above, my decision is that I don't uphold this complaint, and make no order against Link Financial Outsourcing Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 October 2016.

Lennox Towers
ombudsman