

## **complaint**

Mr B says Link Financial Outsourcing Limited is chasing him for a debt that doesn't exist.

## **background**

In 2015, Mr B took a store card with another business as it entitled him to a discount on a purchase. He says he only used it for that purchase. He's provided an account statement dated 21 June 2015 showing the amount being paid in full, and an annual statement covering the period 2 May 2015 to 22 May 2016 showing just the one transaction and a zero balance.

In March 2018, Link wrote to Mr B to say that his account had been assigned to it and it was now the legal owner of the debt. Mr B asked for information about the account as he had no recollection of using the card after the initial transaction. He said he'd not heard anything from the store card provider about missed payments and the account had been set up to be paid by direct debit, so it would automatically be paid off each month. He asked for details of the amount owed and the transactions that led to it.

Link looked into his concerns and issued a final response on 15 August 2018. It provided statements from 2017 showing that a balance of £32.24 had been 'brought forward' from the previous statement and charges had since been applied. Link said Mr B should have kept the store card owner up to date with his address and contact details. It felt it had provided enough information to show he was liable for the current balance of £111.44 and asked him for proposals to repay it. Link said it didn't feel it had done anything wrong and he could refer his complaint to us if he was dissatisfied.

Mr B did so and one of our investigators looked into it. On 1 March 2019, our investigator asked Link for information to show how the debt arose. Despite reminders, it hadn't been able to do so by 23 April 2019. So our investigator upheld Mr B's complaint. He said that as Link hadn't been able to show how the debt had come about, it should write off the debt and remove any information it had recorded on Mr B's credit file.

Mr B accepted what our investigator had said, but Link didn't. It said it had provided all the information it had and Mr B should contact the previous owner to claim the balance as fraud if he believes it is incorrect. As there was no agreement, the Mr B's complaint has been passed to me for a final decision.

## **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 and for broadly the same reasons.

Mr B has provided evidence to show that the account was used for the initial transaction in 2015 and paid off in full. He's provided an annual statement covering the first year of the account showing it was only used once. It seems strange then that he should suddenly use the card again – presumably at some point in 2017 – for a relatively small amount such as would have given rise to a balance brought forward of £32.24 in September 2017. Mr B has offered to pay the debt if it can be shown how it arose.

Link took ownership of the debt in March 2018 but hasn't been able to provide Mr B with evidence of how it came about. It's provided copy statements from September 2017 onwards, but by then, the debt was already in place and growing due to charges. It hasn't been able to provide a statement showing the initial transaction which led to this debt despite repeated requests from Mr B and this service over the 10 months or so.

Link has said it was Mr B's responsibility to keep his creditors updated when he changed his address. He does not dispute this, and says he may not have done as he wasn't using the card and hadn't for some time before he'd moved. He'd had his mail redirected for nine months after he moved. He says he'd given his mobile telephone number when he opened the account and this hadn't changed. But he hadn't received any calls or letters from the original account owner.

I've seen the annual statement from 2015/6 showing the account was only used once in that period. On balance, I think it's improbable that he'd have used the card so much later and for a relatively small amount. Link has been unable to show how this debt arose despite being asked repeatedly for the information. That being the case, I think the fair and reasonable thing for it to do is to write off the debt and remove any adverse information it has recorded on Mr B's credit file.

I have considered whether or not to make an award for compensation to Mr B for the delays in providing information that, in my view, Link should have. But given the possibility that Mr B *may* have used the card and the debt *may* indeed exist, I think the writing off of the debt is sufficient in the circumstances.

### **my final decision**

I uphold Mr B's complaint and Link Financial Outsourcing Limited should:

- Write off the amount it says is owing;
- Remove any information it's recorded on Mr B's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 August 2019.

Richard Hale  
**ombudsman**