

## **complaint**

Mr S complains that Link Financial Outsourcing Limited ("Link") are chasing him for a debt he doesn't owe.

## **background**

Mr S and his late wife took a loan out together when Mr S had his own business. But when the business failed, and Mr S was declared bankrupt, he says that his wife therefore became solely responsible for paying the loan. She passed away in October 2017 and Mr S complains that Link have been harassing him for payments despite him no longer having liability. He's also upset that they keep addressing letters to his wife and referring letters to the executors of Mr, rather than Mrs S.

Link said that they hadn't received any notification of bankruptcy and that's why they'd still deemed him liable for the debt. They sent Mr S £30 of shopping vouchers as an apology for the mistake they'd made when addressing letters to Mr S's executor rather than his wife's.

Mr S referred his complaint to this service and our investigator provided her opinion. She noted that Mr S had told Link about his bankruptcy. Notes on Link's system identified that had happened and that he'd also told them about his wife's death. So she thought it was reasonable to suggest Link should've taken action and shouldn't have pursued the debt, as Mr S's liability for it ended when he was made bankrupt. She thought it was clear that the letters he'd received would have been distressing, so she thought Link should pay Mr S £250 to compensate him.

But Link disagreed. They didn't think the information that Mr S had sent them demonstrated that he was bankrupt but they explained that, as they now realised this was the case, they would stop pursuing him for the debt. But they didn't think they'd been wrong to pursue him for it in the absence of evidence of his bankruptcy and they therefore asked for a final decision by an ombudsman.

## **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 agree with the investigator's view and for similar reasons. Please let me explain why.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr S was declared bankrupt in 2006. His liability for the debt, that Link are now pursuing him for, ceased at that time. But as the loan had been in joint names, his wife was still liable until her death in 2017.

Link have now accepted that Mr S's bankruptcy means they are not entitled to pursue the debt with him. They've explained that they'll no longer contact him. That seems reasonable.

I've seen a copy of the bankruptcy order and I've reviewed Link's system notes. I think, given the evidence, that Link were reasonably aware of the situation and I'm supported in that view because they agreed a repayment plan with Mrs S. I don't think they would've done this if they could have held Mr S responsible for the debt.

It's clear that the correspondence they've sent has been misaddressed and I'm sure this will have distressed Mr S. The letters pursuing the debt were unnecessary and would have added to this distress and I think, in the circumstances, a payment of £250 would be reasonable compensation.

### **my final decision**

For the reasons I've given above I uphold this complaint and tell Link Financial Outsourcing Limited to stop pursuing Mr S for this debt or contacting him in relation to it. Link should pay Mr S £250 to compensate him for the distress and inconvenience their actions have caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 June 2019.

Phil McMahon  
**ombudsman**