

## **complaint**

Mr L complains that Link Financial Outsourcing Limited ("Link") has:

- not treated him sympathetically given his circumstances
- handled his complaint poorly
- not responded to his letters
- regularly sent arrears letters when the account wasn't in arrears

## **background**

Mr L has been represented by his wife throughout this complaint but for ease I'll refer to Mr L throughout this decision, although I understand many of the actions will have been his wife's.

Mr L's debt was purchased by Link in February 2015. The balance was £3,235.65 at that time. In October 2017 he wrote to Link and asked for his debt to be written off. He explained that he had mental health issues that meant he could only work part time; his earning potential was limited; he was in a debt management plan and his debt wouldn't be paid off for 96 years. He also explained that his children needed care and this was impacting on his wife's earnings potential. He said there was no realistic prospect of him being able to pay off the debt and it was having a severe impact on his and his family's well being.

Link didn't respond and Mr L had to send additional letters in December 2017 and in January 2018 before a response arrived. He included, in those responses, his debt and mental health evidence form (DMHEF) in which his clinician set out the impact that continued debt was having on his health and in which it was explained that his wife had now had to take over the management of his financial affairs.

Link eventually responded at the end of January 2018. They referred Mr L to their specialist support team but this transition never took place and in the interim period they also sent Mr L arrears letters. He complained to them that this amounted to harassment and was particularly distressing as his letters of complaint were being ignored.

In their final response in May 2018, Link apologised for the inconvenience caused. They explained that they had made a mistake to suggest he could be referred to their specialist team, as this could only happen if the account was defaulted. They also explained that they had been unaware of Mr L's vulnerabilities when they purchased the debt, as the original creditor hadn't explained this to them. They offered Mr L £50 compensation for the distress and inconvenience their actions had caused.

But Mr L was dissatisfied with their approach and he therefore contacted this service where our adjudicator reviewed his complaint. She didn't think Link had done enough. She noted that Mr L had provided evidence that demonstrated he'd been suffering from mental health issues since 1997 and that this impacted on his work and his earning capacity. She noted that his income and expenditure statement showed his disposable income had decreased significantly and that meant making payments to Link was now unaffordable for him. She explained that she would have expected Link to do more to support Mr L and she thought it was wrong for them not to escalate his complaint to the specialist support team simply because he hadn't defaulted. She identified that the Financial Conduct Authority's (FCA's) handbook said they must identify clear policies to identify and deal with vulnerable customers but she noted that Link hadn't been able to provide her with a copy of any such

procedures and she therefore didn't think there was evidence they'd provided him with sufficient support.

She went on to consider the income and expenditure statement that Mr L had supplied to Link in February 2018. She said it was clear he only had a disposable income of £3 a month and she thought they'd been wrong to encourage top up payments to make sure Mr L didn't default. So overall, she thought the best resolution would be for Link to write off the remaining debt as there was clearly no realistic prospect of him being able to repay it.

Link disagreed with the adjudicator's view. They acknowledged that their letter in March could have been phrased better but they explained that, regardless of whether the handling of Mr L's file was handed to the specialist team, he would have had sufficient support as staff in the collections department were trained to deal with people with varying vulnerabilities. They said if they'd reduced Mr L's payments any further they would have had to default his account and they hadn't done so because they were concerned about the impact this would have on his credit file. So they 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 don't think Link has done enough here. I don't think there's a realistic prospect that this debt will ever be paid off and I think, in the circumstances, it would be reasonable for them to write it off. 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 L has evidently been unwell for many years. There is evidence in his DMHES that the debts he has are causing him severe anxiety and there appears little prospect that he'll ever be in a position to pay off his debt. Indeed his position is worsening and this can be seen from the income and expenditure statement he completed.

Whilst I accept that Link were not told about Mr L's vulnerability, when they purchased the debt, it is clear that they were made aware of it later and certainly by October 2017 when he wrote to them and explained the situation in detail.

Once a business is aware of a consumer's vulnerability we would expect them, as would their legislator the FCA, to put their vulnerability policy into action. Link hasn't provided us with a copy of that policy but I would expect it, amongst other issues, to consider access to specialist support; the potential for dedicated support and rapid escalation so that vulnerable consumers aren't kept waiting.

I'd also expect them to be sympathetic and understanding of the consumer's position.

But here I don't think Link has done enough to support Mr L. It referred him to the specialist support team but that referral never happened. Link has explained that it would have made no difference because their collections department were well trained but I don't necessarily agree. I can see that a member of the specialist team did initially speak with Mr L's representative and that appears to be the only time when progress was made. I can see the letters from Mr L regularly praised this agent and this team. It's also difficult to understand the purpose of a specialist support team and why Mr L was considered for referral, if it wasn't because they were better prepared to support him. So I think it's most likely Mr L would have benefitted from such a referral and Link should have done that irrespective of the account not having defaulted.

And it's clear that Link were very slow to respond to the letters Mr L sent them asking for his circumstances to be taken into account. It took three months for him to get any sort of answer and I think Link could have responded more rapidly given his exceptional circumstances.

Whilst Link suggested they were helping Mr L by continuing to take top up payments I don't think that was the case. Mr L had significant additional debt with other organisations and was being supported through a debt management company. I can't see that they engaged with Mr L to see if he'd prefer to pay token payments or continue topping up his contribution but I think, if they had, he would be more likely to have accepted the default and to have reduced his outgoings; especially as this would have entitled him to specialist support.

So overall, I think Link have not managed Mr L as well as they could. The medical evidence and Mr L's consistent testimony suggest there is little prospect of this debt being paid and I think it would be fair and reasonable for Link to accept this and write off the debt that remains.

### **my final decision**

For the reasons I've given above I uphold this complaint and tell Link Financial Outsourcing Limited to write off Mr L's outstanding debt with them. They should report the debt as partially settled.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 May 2019.

Phil McMahon  
**ombudsman**