

The complaint

Mr M complains that Link Financial Outsourcing Limited is recording the wrong default date for a debt that was included in an IVA.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mr M had an account with a business I'll call H. In March 2018 Mr M entered into an IVA that included the account with H. The account was closed and a default reported by H in February 2019. In September 2019 H sold the debt to Link which took on responsibility for reporting the account status on Mr M's credit file.

Earlier this year, Mr M found the default date Link was reporting was February 2019. Mr M contacted Link and explained the default date should've been recorded as March 2018 – the point he entered the IVA.

Link contacted H and raised a dispute about the default date. H responded to Link and said its records showed the account was open and active until the default date of 15 February 2019. H advised it was possible Mr M's account was not included in the IVA but that it was unable to confirm that. H advised Mr M could contact it directly to dispute the matter further.

Mr M complained to Link and it issued a final response on 11 July 2022. Link said the debt was acquired from H with an outstanding balance of £387.74 that Mr M remains liable for. Link added that the original lender didn't agree the default date used was wrong and said it would investigate further if Mr M provided evidence to show the correct date.

An investigator at this service looked at Mr M's complaint and upheld it in part. The investigator said Link had failed to demonstrate it disputed the debt with H and asked it to pay Mr M £100 for the distress and inconvenience caused. Link didn't agree and pointed to a message it had received from H after it disputed the default date. H's response advised it believed the default date was correct. Mr M also provided a copy of some IVA paperwork that shows the account with H was included when it was set up in March 2018. As Link didn't accept the investigator's view, Mr M's complaint has been passed to me to make a decision.

What I've provisionally decided – and why

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

I understand my decision is likely to come as a disappointment to Mr M, but I've reached a different conclusion to the investigator. I think Link has shown it disputed the debt with H when Mr M raised concerns about the default date used. I haven't seen anything that shows Link treated Mr M unfairly. I'll explain why.

Link's pointed out the account was already closed with a default date of 15 February 2019 when it purchased the debt in September 2019. As a result, Link had no part in the circumstances under which Mr M's account was closed and default date used. Where a consumer disputes information about an account that's been purchased from the original lender by another business, as Link purchased the debt from H here, we'd expect the dispute to be raised with the original lender. I can see that when Mr M contacted Link and advised the debt in question was included in an IVA and should've been defaulted in March 2018 it did contact H – as we'd expect. But H responded and advised it had no record to support Mr M's account was included in an IVA or that the default date had been incorrectly applied to his credit file.

Link's final response to Mr M's dispute confirmed the information it was given by H. I can see Link advised that if Mr M could provide evidence that showed the default date was wrong it was willing to review it. But without further evidence from Mr M, Link wasn't willing to amend his credit file or change the default date. I'm sorry to disappoint Mr M but I'm satisfied Link followed the right process when it disputed the default date with H. I haven't been persuaded it made a mistake or acted unfairly.

What I can say is that Mr M has sent us IVA paperwork from around February 2019 that shows the account in question with H appears to have been included in the IVA. We haven't been sent anything that shows when the IVA completed or what Mr M was told about when accounts that were included within it would default. Link has advised that if Mr M remains unhappy with the way his account has been handled by H and believes it was included in an IVA, he should contact it directly to address the issue. Link's final response also advised it was willing to accept further evidence from Mr M concerning his IVA arrangements.

I think Link makes a reasonable point when it says Mr M should contact H directly to look at the account. If H subsequently confirms the default date should be amended or that the debt was repaid as part of Mr M's IVA I'd expect Link to act on the instructions it receives. But without confirmation from H that the default date is wrong or that the debt was repaid as part of Mr M's IVA, I'm unable to agree Link has acted unfairly. I leave it to Mr M to decide whether he wishes to dispute the details surrounding the way his account was defaulted and sold directly with H.

I'm very sorry to disappoint Mr M but as I haven't been persuaded that Link acted unfairly or failed to dispute the default date with H I'm not telling it to take any further action.

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Mr M responded and confirmed the account was included in his IVA whilst it was still with H. As the account was included in the IVA, Mr M says it shouldn't have incurred any further interest or been sold to Link. Mr M added that once the account was included in the IVA he didn't hear from H again. Link didn't respond to the provisional decision.

What I've decided – and why

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

I'd like to thank Mr M for providing the IVA paperwork and his comments. I appreciate Mr M's in a difficult position and we will arrange for his IVA paperwork to be forwarded to Link so it can go back to H to dispute the default date further. But I would strongly suggest that Mr M takes this matter up with H directly as it was the business administering his account when he entered into the IVA. Ultimately, H is best placed to investigate Mr M's dispute about the default date used and why the account was passed to Link to collect. And, as I said in the

provisional decision, Link will be guided by H in terms of what default is correct. If Link subsequently receives a request to amend the default date or send the account back to H, it I would expect it to comply.

I'm sorry to disappoint Mr M as I realise he's somewhat caught between Link and H. But I remain of the view Link dealt with his dispute and complaint fairly. As a result, I'm not upholding Mr M's complaint.

My final decision

My decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 February 2024.

Marco Manente
Ombudsman