

The complaint

Mr M complains that Link Financial Outsourcing Limited is unfairly trying to collect a debt in his name.

What happened

In November 2022 Link acquired an overdraft debt in Mr M's name from a business I'll call H with an outstanding balance of £1,517.93. Link went on to contact Mr M with a view to agreeing a repayment plan.

Mr M raised a complaint with Link and said he'd overpaid the overdraft with H and was in fact due a refund of around £500. Link contacted H and raised a dispute about the outstanding balance. But when H responded it advised the outstanding balance was correct and no refund was due. H sent Link a copy of a final response it had issued to Mr M that confirmed overdraft fees, interest and charges had been correctly applied. H didn't agree that the wrong balance had been sold to Link.

Link issued a final response to Mr M on 22 February 2023 but didn't agree it had made a mistake. Link said it would review any other evidence Mr M had that showed H had sold an incorrect credit card balance and suspended further collections activity for two months. But Link said that if no new information was provided, it would continue attempts to collect the outstanding balance.

Mr M referred his complaint to this service and it was passed to an investigator. They thought Link had reasonably disputed the debt with H and received confirmation that the outstanding balance is correct. Mr M asked to appeal and said he'd been overcharged by Halifax for his overdraft since at least 2008 and reiterated that the outstanding balance is wrong. As Mr M asked to appeal, his complaint has been passed to me to make a 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.

Mr M's explained that he believes H overcharged him for his overdraft over the years and that, as a result, a refund is due. But Link wasn't the current account or overdraft provider and wasn't the business that applied fees or interest. When a consumer raises a dispute of this nature we'd expect the business that purchased the debt to raise a dispute with the original lender. Here, I can see that Link did that and contacted H to check what Mr M said about the outstanding balance. So I'm satisfied Link followed the right process.

Link received a response from H that confirmed Mr M had previously complained about the overdraft fees and interest applied to his account but it had been rejected. H confirmed the correct outstanding balance of £1,517.93. So whilst I understand Mr M disputes Link is collecting the correct amount, I'm satisfied it correctly disputed the debt with H and has acted on the response. I haven't seen any evidence of a mistake or that Link treated Mr M unfairly.

I also note that when Link responded to Mr M's complaint it agreed to place a two month collections hold on the account to allow him time to supply further evidence. I think this demonstrates Link wasn't dismissing Mr M's concerns without due consideration and shows it was willing to work with him. But without further evidence that showed the balance Link seeks to collect is wrong, I'm satisfied its dealt with Mr M's dispute fairly.

If Link receives contact from H that later confirms the balance it sold was wrong, I'd expect it to act on any directions it receives. But the way overdraft fees, charges and interest were applied is a matter for H to consider, not Link.

I'm sorry to disappoint Mr M but as I haven't been persuaded that Link has made a mistake or treated him unfairly I'm not telling it to do anything else.

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 5 October 2023.

Marco Manente
Ombudsman