

The complaint

Mr M complains about the way that Link Financial Outsourcing Limited (trading as Link Financial) handled the collection of a debt in his name.

What happened

In 2021, Link Financial started to manage the collection of a debt in the name of Mr M. He says that Link Financial ignored his attempts to make contact about the debt and proceeded to take legal action against him.

Mr M says he received a letter from Link Financial on 17 September 2022 in which it said it would refer his account to solicitors if he didn't make contact within 14 days. Mr M says that he emailed Link Financial within the 14 day period with details of his budget. Mr M then sent an offer to Link Financial on 25 September 2022 but didn't receive a response. Mr M says he contacted Link Financial several times and asked that due to his personal circumstances, it should communicate solely by email.

Mr M is unhappy that Link Financial proceeded to obtain a County Court judgment (CCJ) against him. Mr M points out that Link Financial upheld his complaint about the level of customer service he received. Mr M wants Link Financial to refund money and pay compensation for the impact on his mental health.

Our investigator explained to Mr M that this service could only consider his complaint as it related to any poor service leading up to legal action. Although he thought Link Financial could have provided better customer service, our investigator didn't recommend that it take further action.

Mr M is unhappy with the investigation outcome. He says Link Financial didn't tell him that it hadn't accepted his offer. So, he continued to follow up and wait for a response.

Mr M also thinks it was unfair of Link Financial to move ahead with legal action before the 14 day period had expired without first checking whether he had responded.

Our investigator thought that even if Link Financial didn't contact Mr M to reject his offer, the rejection was implied. And our investigator noted that there wasn't any evidence that Mr M had followed up the offer.

Our investigator accepted that Mr M responded within the 14 day period but thought that as his email was received on day 13, it was possible the reply hadn't been reviewed before the time expired. Our investigator said he considered this in the wider picture of there not being a guarantee that Link Financial would accept a reduced settlement.

Although Mr M said he would respond fully to our investigator, we haven't received any further information to consider, so the complaint has been passed to me to make a final 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.

As the investigator explained to Mr M, we can only consider his complaint as it relates to the actions of Link Financial before it obtained the CCJ. This is because once the CCJ was issued, the original credit agreement fell away and the balance was then owed under the CCJ not the original credit agreement. Debts owed because of a CCJ aren't regulated agreements so there was no longer any regulated activity for our service to have jurisdiction over. This means I can't look at anything related to the CCJ itself.

When Link Financial wrote to Mr M in September 2022, it gave him 14 days from the date of the letter to respond. As the letter was dated 7 September, the deadline ended on 21 September 2022.

Mr M emailed Link Financial on 20 September 2022 to provide a budget and to say that he hoped to be able to make an offer by the end of the week. The email doesn't reference Link Financial's letter of 7 September 2022. Given the fact that the deadline for responding expired the next day – I think it would've been reasonable to expect Mr M to reference this in some way. I can't see anything in Mr M's email which should've reasonably prevented Link Financial from continuing to pass the file to its solicitor for further legal action. Particularly as Mr M didn't make the settlement offer until a few days later – by which time the solicitor was already involved.

I also agree with the investigator that while email was one way to respond to Link Financial's letter of 7 September 2022, it did say to make contact as a matter of urgency and gave the number to call. Given the fact that the deadline expired the next day, I think it would have been fair to expect Mr M to call Link Financial rather than relying on an email which may not be actioned the same day that it is received.

I'm satisfied that Link Financial forwarded Mr M's settlement offer email to the solicitor and that Mr M received the solicitor's response. The situation wasn't helped by the fact that instead of responding to the solicitor, Mr M continued to email Link Financial. I agree that it would have been preferable for Link Financial to remind Mr M to contact the solicitor direct but if Mr M was struggling to hear back from Link Financial, I think it would have been reasonable to expect him to contact the solicitor as directed in its response to the offer that he'd made.

Although Mr M says Link Financial's poor service denied him the chance to sort out the debt before legal action, there was never any guarantee that Link Financial would accept the offer he made – particularly as it would have involved taking on extra debt, which I agree didn't appear a sustainable option. Link Financial had also previously rejected a similar offer. So, I'm struggling to find that legal action would have been avoidable, even if Mr M had responded to Link Financial sooner than he did. I also take account of the fact that Mr M had the option to work with the solicitor instead of continuing to contact Link Financial.

I'm sorry to disappoint Mr M but although I agree that Link Financial's customer service could have been better in places, for the reasons outlined above, I don't require it to take any action in response to his complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 October 2023.

Gemma Bowen
Ombudsman