

The complaint

Ms F complains the balances on her Link Financial Outsourcing Limited trading as Asset Link Capital (No.9) loans haven't reduced as much as she expected.

What happened

Ms F has two loans with Link Financial Outsourcing Limited – one was originally taken out in April 2016 and the other in February 2017. These loans were originally taken with another company to support Ms F during her studies at university. Link Financial Outsourcing Limited acquired the loan company in 2022 and took on responsibility for the loans and any complaints reacting to the loans. In early 2023, Ms F complained to Link Financial Outsourcing Limited that the balance of the loans wasn't reducing as quickly as she thought they would. Ms F said this is causing her financial difficulties and she asked Link Financial Outsourcing Limited to reduce the loan balances to help her. Ms F also complained that when she called Link Financial Outsourcing Limited to discuss her accounts, it had provided details of her sisters account in error.

Link Financial Outsourcing Limited told Ms F that if she was experiencing financial difficulties in making the full loan repayments it was keen to work with her and invited Ms F to call to discuss how it may be able to help. Link Financial Outsourcing Limited also provided details of StepChange who can offer free and impartial advice to assist Ms F. Link Financial Outsourcing Limited accepted that it had provided incorrect information to Ms F about her sister's account in error. Link Financial Outsourcing Limited apologised for this and confirmed relevant feedback and training would be provided to the staff member who made the error. Link Financial Outsourcing Limited sent Ms F a £50 voucher to remedy the inconvenience this had caused.

Ms F brought the complaint about the loan balances to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator confirmed with Ms F that the crux of her complaint is that the loans hadn't reduced significantly. The Investigator thought that the loans had been reducing in line with the loan agreements taking into account the payments Ms F had been making and didn't think Link Financial Outsourcing Limited and done anything wrong. Ms F asked that an Ombudsman decides the complaint.

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 understand Ms F will be disappointed, but for very much the same reasons as the Investigator I'm satisfied Link Financial Outsourcing Limited hasn't done anything significantly wrong. I will now explain why.

Ms F says it's immoral and unethical that Link Financial Outsourcing Limited is able to take advantage of students who didn't have access to government funding. I acknowledge Ms F has strong views in this regard, but my decision will focus on the circumstances of Ms F's complaint and whether I consider Link Financial Outsourcing Limited treated Ms F fairly

when her payments increased.

I've seen both loan agreements that Ms F signed. One was initially for £14,000 and the other for £6,000. The loans were taken out in April 2016 and February 2017, respectively. The loan agreements show the interest that would be charged, what the total cost of credit would be, and a repayment schedule outlining the payments due over the agreements. The agreements also included a schedule of the expected balance on the loans if all payments were made in line with the agreement.

The first loan, which was initially for £14,000, had a period where part of the interest was rolled over and full repayments weren't scheduled to begin until October 2018. Link Financial Outsourcing Limited has provided historic notes to show that in September 2018, Ms F made it aware she had taken a gap year and that she wasn't expecting the full repayments to start in October as she would now be graduating the following year. Ms F was allowed – as a gesture of goodwill - to change the date of her graduation on both of her loans at this time to help with affordability. The notes go on to confirm that Ms F was told of the impact this would have on her loan balances – as part of the payments would not start for another year – and that Ms F was happy to proceed on this basis.

So, although Ms F says she expected the balance of her loans to fall more quickly than it has, I'm satisfied that the loan balances would have increased after she agreed a further extension to the full repayments starting. I've compared the loan schedules with the loan statements, and I'm satisfied that Ms F would have been aware why the balance wasn't decreasing in line with the original loan schedule. In view of this I think it would be unfair and unreasonable for me to consider asking Link Financial Outsourcing Limited to reduce Ms F's contractual loan balances.

When the loan payments increased to the full contractual payment in 2020, as agreed in 2018, Ms F did complain that the loans had been mis-sold. Although this complaint was made to the company who granted the loan – and not Link Financial Outsourcing Limited – the complaint wasn't upheld, and Ms F was issued a final response in this regard.

Taking all of the circumstances of this complaint into account, I don't think Link Financial Outsourcing Limited has done anything significantly wrong. I'm persuaded Ms F was aware that deferring her graduation by a year would have a negative impact on her loan balance, but Ms F agreed to proceed on this basis. And, when in 2023 Ms F expressed to Link Financial Outsourcing Limited that she was having financial difficulties, Link Financial Outsourcing Limited offered to discuss how it may be able to help with the repayments and provided details for StepChange. In the circumstances I'm satisfied this was a reasonable response to the complaint. If Ms F is still experiencing financial difficulties and struggling to meet the new loan, I think it would be beneficial for her to reach out to Link Financial Outsourcing Limited or contact an organisation such as StepChange.

My final decision

For the reasons I've details above, I've decided that Link Financial Outsourcing Limited trading as Asset Link Capital (No.9) hasn't done anything significantly wrong.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 5 March 2024.

Paul Lawton
Ombudsman