

## Credit where it's due

### Don't feel awkward if you need to complain about debt

**M**OST OF US find it helpful from time to time to spread out the cost of our spending – particularly when paying for expensive items such as furniture or holidays. Using a credit card is one of the most popular ways of doing this, but there are a number of different forms of credit. One of these is the type of account offered by many mail-order companies, enabling customers to pay in monthly instalments. Such accounts can be very convenient – and most people are able to manage their repayments successfully, without encountering any problems with the business that provides the credit.

One such customer, 87-year-old Maureen Lord, recently contacted the Financial Ombudsman Service – the free service set up by law to help settle financial complaints. She had ordered two blouses from a mail-order catalogue, at a total cost of £26, and arranged to pay in instalments, using the 'personal account' credit facility offered by the mail-order business.

When the blouses arrived, Mrs Lord was disappointed to find they were a poor fit. But before she had the chance to return them, she had a very bad fall. This led to further complications and she ended up having to stay in hospital for some weeks. It was not until she had been back at home for several weeks that she got round to returning the blouses, together with a letter apologising for the delay.

By then, however, the mail order company had registered the £26 as an 'unpaid debt' and had sold it on to a debt-collecting business. Mrs Lord was shocked to receive a letter from the debt-collector saying she now owed nearly £250. She wrote back, apologising again for the delay and asking why it was that she still owed so much, as she had returned the blouses. The debt-collector said that interest and charges had been added to her original debt – and that she must pay the £250 immediately. Mrs Lord then asked

the ombudsman to look into matters.

After discussing the case with the ombudsman, the debt-collector agreed to write-off the debt and to remove any reference to it on Mrs Lord's credit reference file.

Most financial complaints can be sorted out successfully without the need for the ombudsman service to become involved. But if you've already complained to the firm that's responsible for the problem – and you're still unhappy, the ombudsman service may be able to help.



**Financial  
Ombudsman  
Service**

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[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)  
 or phone 0845 080 1800.