

The complaint

Mr and Mrs L have complained about a secured loan they took out with Equifinance Limited for debt consolidation. They say not all the debts they wanted to be cleared were paid off.

What happened

Mr and Mrs L applied for a secured loan to consolidate debts. The application was made through a mortgage broker and the funds were drawn down in February 2017.

As part of the application, Mr and Mrs L - via their broker – had supplied the details of 14 debts they wanted to pay off, including the amounts owed. Equifinance made the payments directly to the lenders using the details provided, albeit one payment of £1,877 was returned by a credit card company and so that amount was sent to Mr and Mrs L to pay off themselves instead. Mr and Mrs L also received £9,895.72 into their bank account, which was a surplus amount.

Shortly after completion Mr L contacted Equifinance to request a list of the debts that had been paid from the loan proceeds. The list was emailed to him the same day, 6 March 2017.

In April 2019 Mr and Mrs L requested a redemption statement for the loan as they were selling their property. The loan was redeemed on 18 July 2019.

In December 2019 Mr and Mrs L complained to Equifinance. They said that Equifinance had underpaid two of the creditors which had led to CCJs. Equifinance rejected the complaint, saying it had paid out the amounts that were provided to it as part of the application.

Our investigator didn't think Equifinance had done anything wrong. Mr and Mrs L didn't agree and so the matter has been passed to me to decide.

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 and Mrs L have said that two creditors were underpaid, they've said that:

- A company (which I'll call S) was only paid £1,780.14 when it should have been around £4,000, and that company had now registered a CCJ against Mr and Mrs L.
- A company (which I'll call X) was only paid £682 when it should have been around £1,100.

The list of the debts Mr and Mrs L wanted to consolidate was provided by them on the application form they signed, and that says the debt to S was £1,780.14 and was already the subject of a CCJ, and the debt to X was £682. We also have on file a copy of a letter from S dated 20 December 2016 which states the debt was already subject to a CCJ and the outstanding balance was £1,780.14.

Equifinance paid out exactly what it was asked to. I can't hold Equifinance liable if those figures were wrong as it didn't come up with them. The figures were provided to Equifinance by Mr and Mrs L (via their broker). It was the responsibility of Mr and Mrs L to make sure they correctly listed all the debts to be repaid.

Mr and Mrs L have since said that some other debts weren't paid off at all, but if the debts weren't on the list provided to Equifinance then they wouldn't have been paid off. Again, it was Mr and Mrs L's responsibility to ensure they provided the full and correct information about their debts to be repaid; it wasn't down to Equifinance.

Having considered everything I'm satisfied that Equifinance did nothing wrong as it paid out the amounts to the various creditors in line with the information provided by Mr and Mrs L.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 16 December 2020.

Julia Meadows

Ombudsman