

The complaint

Mr M complains that he was frustrated at the technical issues surrounding his on-line account with Gain Credit LLC, trading as Lending Stream.

What has happened

The history and facts of this complaint are in my provisional decision which I issued on 18 June 2020, a duplicate of which is incorporated below and forms part of this final decision. The reply date to respond was 19 July 2020. Mr M has accepted my findings in my provisional decision. I have not received a reply from Lending Stream. However, the reply date has passed, and I feel it's appropriate to proceed and draw this complaint to a conclusion.

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.

[My provisional decision duplicated here.](#)

Mr M had three loans. The first (taken in October 2018) was paid off the day he took Loan 2 on 1 November 2018 which was for £450. A few days later he was approved for Loan 3 for £80. All of these were scheduled to be repaid over six months but Mr M had repaid Loan 1 early. The other two remain outstanding still.

The history is that in November 2018, soon after obtaining Loans 2 and 3, Mr M called Lending Stream to explain some personal health problems and that he needed to go into a repayment plan. The combined repayment for both would have been around £175 a month which was just under £150 for Loan 2 and just over £25 for Loan 3. The new plan set up for each was £38.52 and £6.48 respectively each month - a combined amount of £45. These were due to last until February 2020. My understanding is that the interest charged (not necessarily paid) from the inception dates to the setting up of the new repayment plans was about £90 and £11 respectively.

A short time later, on 31 January 2019, when Mr M was short of cash, he called Lending Stream and asked for the January 2019 repayments to be refunded to him. I have seen Mr M's bank statements and I can see that they were. It was soon after this in March 2019 that the problem with Mr M's on-line account started.

Mr M has sent us a lot of screenshots, photographs of documents, emails between him and Lending Stream and explanations to give us the full picture and I have read them all. And some of the Lending Stream emails to him and to us (since he brought his complaint here) refer to the fact that Lending Stream have had trouble obtaining information and records about Mr M's account due to 'technical glitches'.

On 30 April 2019 Mr M had received an email from Lending Stream to say that it had not received the payments due in March 9.

It also gave Mr M instructions on how else he could pay which included on-line, bank transfer to a dedicated account, Standing Order or by cheque and it listed an address to which he could send the cheques. I deal with more of this in the main part of my provisional decision.

There then followed an acknowledgement of a telephone conversation between Mr M and Lending Stream. It was in an email by Lending Stream to Mr M on 4 May 2019 and it appears to have accepted there was a problem and it was trying to fix it. (Mr M has referred to this as 5 April 2019 but Lending Stream uses a date format of '05/04/2019' where the month is the first figure). Lending Stream logged it as a formal complaint and then had eight weeks (as the complaint rules provide) to investigate.

Lending Stream's final response letter (FRL) dated 28 June 2019 addressed a complaint about affordability and irresponsible lending in relation to the three loans. But Mr M has not complained about this. So, the FRL was irrelevant to his issue about which he was having trouble. So, Mr M called this service in July 2019 and then sent us the signed complaint form (dated 20 September 2019) on 2 October 2019.

Lending Stream had difficulties sending to this service some of the records we needed about Mr M's account and it explained that this was also due to '*unavailability of the documents on the server*'. We did receive more documents around 17 February 2020.

In February 2020, Lending Stream emailed Mr M to say that he owes about £462 on Loan 2 and about £77 on Loan 3. My understanding is that this remains the balance now.

One of our adjudicators looked at the complaint in early March 2020 and made the same mistake as Lending Stream - the view related to irresponsible lending and affordability. So, Mr M rejected it. Our adjudicator's second view in late March 2020 said that Lending Stream was at fault in relation to the on-line account issues and that Mr M had experienced difficulty. And he thought that Mr M should put things right for Mr M in a number of ways. I have not listed them all here. The recommended compensation element was £200.

Lending Stream has accepted that opinion and has agreed to pay £200, amend his credit file and has again suggested ways in which Mr M can repay what he owes.

Mr M has rejected this saying that the company should not be expecting him to repay any of the loans and he wished to have £4,000 in compensation. He says that he thinks that the '*loans should not be there as company error*' and that it should '*cease both loans*'.

The complaint remains unresolved and has been passed to me for a decision.

What I've provisionally 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 am planning to uphold Mr M's complaint but the redress will be different to that recommended by our adjudicator and less than that asked for by Mr M.

As Lending Stream has accepted our adjudicator's findings in relation to the delay then I do not need to go into too much detail with my own sets of findings. But I will add to them.

I understand that Mr M found himself in a predicament where he wanted to pay in accordance with the new agreed terms of £38.42 and £6.48 (combined sum of £45). And I have noted that in one of his explanations he has said that he always had the funds and he has proved his integrity and his willingness to pay. I accept that. And I understand the frustration he must have felt.

The incorrect FRL which was sent to Mr M on 28 June 2019 after many weeks of waiting for a resolution having first raised it in early March 2019 was quite wrong and would have added to his frustrations already experienced. And, in light of the health issues and financial concerns Mr M had informed Lending Stream about in November 2018, then I understand that Mr M would, and should, have expected more. And bearing in mind Mr M's valid point that the difficulties with the Lending Stream server continued even when we wished to obtain documents and records from it in February 2020, then it seems to have not been prioritised even after that.

So, I am planning to direct that Lending Stream remove all interest from these loans, effectively meaning that Mr M will have had the advantage of the capital sums - £450 and £80 - interest free.

I have thought about what Mr M has requested that these capital sums are, effectively, written off, but I am not planning to exercise my discretion to do that. That would be a disproportionate resolution for a complaint which really relates to a technical glitch and extraordinary delay on the part of Lending Stream.

And I acknowledge that Mr M has always known that he had to repay, and has said he always wanted to repay and had the funds to do so. So, my provisional decision on that part is that Mr M ought to have the benefit of interest free capital which he needs to repay. Whether the repayments are along the same lines as before (£45 each month for both), or a different sum is a matter for the parties to agree. And I remind Lending Stream of the need to treat Mr M's debt in a positive and sympathetic manner.

Turning now to the compensation, I do not plan to award the compensation figures for distress and inconvenience for anything like the sums that Mr M has asked for. Compensation into several thousands of pounds are for more severe cases than this one. And I have noted that Lending Stream has always offered alternative methods of repayment. I have seen the comments and explanations Mr M has given as to why he did not think he could try the alternative methods and why he did not wish to send cheques. But I am not persuaded by Mr M's assumptions that these other kinds of repayment would not work. I know Mr M was not able to do on-line and he has explained that Lending Stream could not take a payment over the phone, but there were other ways to try.

One of the reasons I am not persuaded is that the very screenshot of the email Mr M has sent to us dated 30 April 2019 from Lending Stream offering to him the alternative modes of repayments starts with his agreement reference numbers and says it had not received the March 2019 repayments. So, it is not, in my view, a case where the whole account and all reference to all loans had totally disappeared from the Lending Stream system - but it does appear to have been the case that the loans may not have been presenting themselves on Mr M's on-line account when he logged in.

So, I do think that a lot of this concern and frustration could have been reduced by Mr M actually trying to make the repayments by one or all these other methods.

Having said that I do not think that £200 is enough and I award £300. Lending Stream has agreed to pay £200 and I am planning to increase that to £300. This should not be used to offset the debt Mr M owes to it - it needs to be paid directly to him.

Having reconsidered all of these points and as I have not received anything further from the parties for me to consider then I see no reason to alter these findings.

Putting things right

I uphold Mr M's complaint in part. Gain Credit LLC, trading as Lending Stream, should remove all charged but unpaid interest from the two loans, treat any payments made so far towards those two loans as reduction of the outstanding capital sums, and amend Mr M's credit file once the loans have been repaid.

And I am award a sum of £300 distress and inconvenience to Mr M.

My final decision

My final decision is that I uphold Mr M's complaint in part and Gain Credit LLC, trading as Lending Stream, should do as I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 August 2020.

Rachael Williams
Ombudsman