

The complaint

Miss D complains that Armagh Credit Union Limited has used her savings to repay her loans without telling her.

What happened

Miss D says Armagh Credit Union has used her savings to repay her loans without telling her which has caused her significant financial hardship and has meant she couldn't carry out urgent repairs on her home. She says she saved the money, but Armagh Credit Union kept taking money out of her savings to repay the loan and hasn't been able to tell her where her savings have gone. Miss D says she would like an explanation and compensation for what's taken place.

Armagh Credit Union says it's not made a mistake and says it acted in line with the account terms and conditions where Miss D missed loan repayments and says it is entitled to take the repayment from savings in those circumstances.

Miss D brought her complaint to us, but our investigator didn't uphold the complaint. The investigator thought Miss D had agreed to the account terms and conditions which allowed Armagh Credit Union to take money from savings where there were missed loan payments and had told her that it would do so. The investigator didn't think there was any evidence of payments by Miss D following requests from Armagh Credit Union.

Miss D doesn't accept that view.

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.

Having done so I have come to the overall view that Armagh Credit Union has dealt fairly with this complaint and hasn't made a mistake. I realise that Miss D will be disappointed by my decision and I appreciate how strongly she feels about what she says has taken place.

I have looked at the various agreements between Miss D and Armagh Credit Union and I'm satisfied the terms and conditions of those agreements, which Miss D agreed to, say that money can be used from savings to repay missed loan repayments. I find that it was what took place here that Armagh Credit Union fairly told Miss D there were missed payments and after an agreed time period used the savings to repay the missed loan payments. I'm also satisfied that having looked at Armagh Credit Union records that there were numerous examples of missed payments and that Miss D didn't then make those payments herself which meant the money was correctly taken from savings.

I'm satisfied overall that Armagh Credit Union has acted fairly and has explained what took place. I don't think in those circumstances that Armagh Credit Union has inappropriately taken Miss D's money or that there is any evidence of Miss D making a payment in addition to the money being taken from her savings account. I also find that Armagh Credit Union has

fairly tried to explain what took place and why. And if Miss D didn't receive any letters about this then that is not something I can fairly hold Armagh Credit Union responsible for as it's not responsible for the safe delivery of mail.

I appreciate that Miss D has not been able to use her savings to fund the home renovations and that will cause difficulties. But as I don't think Armagh Credit Union has made a mistake or acted unfairly, then I can't order it to pay the compensation Miss D would like.

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 Miss D to accept or reject my decision before 17 November 2020.

David Singh
Ombudsman