

## The complaint

Miss J complains that Debt Managers (Services) Limited didn't make it clear to her how she was supposed to make a payment, then registered a missed payment on her credit file.

## What happened

This complaint is about a catalogue account that was sold to Debt Managers in 2019.

In October 2020, Miss J called Debt Managers to explain that because of an unexpected charge, she couldn't make her usual payment of £15, but could pay £5 and then resume her normal arrangement afterwards. The advisor accepted this and confirmed her payment arrangement would continue, but mentioned that the £5 payment would be a "manual" one.

By "manual", Debt Managers meant that Miss J would need to call them up again on the day to make the payment – though they didn't say this on the call. Miss J says she didn't understand she had to do that. The payment didn't get made.

Debt Managers sent Miss J a letter about missing the payment. Distressed, she called Debt Managers and complained, and made the £5 payment shortly after.

Debt Managers said they'd told Miss J the payment would be manual, so she should've known she had to call them up to make it.

Our investigator looked into things independently and upheld the complaint. They said they appreciated Debt Managers had said the £5 had to be paid manually, but it wasn't made clear to Miss J what exactly that meant. They recommended that Debt Managers remove the missed payment marker for that month and pay Miss J £100 compensation.

Debt Managers didn't agree. They said it was Miss J's responsibility to keep up with her payments, and said they'd treated her with forbearance in other months. The complaint's 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.

I've listened to the call in question. While the advisor did mention that the £5 would be a "manual" payment, they didn't explain what that actually meant. For example, they did not tell Miss J that that meant *she* would have to put the payment through manually (as opposed to Debt Managers taking the payment manually), nor did they tell Miss J how she could go about making this manual payment. In other words, Debt Managers didn't tell Miss J in plain terms what she actually had to do.

I agree with Debt Managers that Miss J had a responsibility to make payments. But in this particular situation, I think she effectively kept up her responsibility – she proactively called Debt Managers to explain her circumstances that month and arrange an affordable payment. I think that the main reason the payment didn't go through is because Debt Managers didn't explain things properly, rather than because of any error on Miss J's part.

I do understand Debt Managers' point of view, and I appreciate that they seem to have treated Miss J positively and sympathetically on other occasions. But I don't think that necessarily means they got things right on *this* occasion.

Debt Managers have now agreed to remove the missed payment marker, which I'm glad to see. I think that's reasonable of them to do.

I also understand that this issue caused Miss J a good deal of stress, not least given the tough situation she was already in at the time. And I understand it caused Miss J some real inconvenience to sort this out.

When a business gets things wrong – as I think Debt Managers did here – then we often tell them to pay compensation, to acknowledge their mistake and the impact it had. Here, our investigator suggested that £100 compensation would be appropriate. I've thought carefully about that, taking into account our guidelines, and I also think that's reasonable. For an issue like this, I would be looking at the "moderate" bracket, which is compensation of up to £500. In the circumstances of this case, I don't think £100 is unreasonable or excessive, and it seems to me to be a fair way to resolve the case.

### **Putting things right**

I direct Debt Managers (Services) Limited to remove the missed payment marker in question (as they've offered to do), and to pay Miss J £100 compensation.

### **My final decision**

For the reasons I've explained, I uphold Miss J's complaint, and direct Debt Managers (Services) Limited to put things right in the way I set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 23 June 2021.

Adam Charles  
**Ombudsman**