

The complaint

Mr D complains that AvantCredit of UK, LLC (trading as “AvantCredit”) did not process payments made by him and incorrectly cancelled a payment plan that he had with it on a number of occasions causing him stress and anxiety.

What happened

Mr D agreed a payment plan in April 2021 with AvantCredit where he was due to make monthly payments of £15. Mr D made these payments but AvantCredit did not apply these to his account and cancelled his payment plan on a number of occasions. I will outline his complaint further when I also give the reasons for my decision.

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 agree with the conclusions reached by the investigator and upholding Mr D's complaint. I will explain why.

Mr D says he had a payment plan with AvantCredit, set up so that he could make payments against his outstanding loan. This payment plan started in April 2021. He says that on at least four occasions, it has cancelled the plan stating payments have not been made, where in fact he had made them. Mr D has told our service that he has contacted AvantCredit on each occasion and has had his plan re-instated. He says AvantCredit has told him the reason why his payment has not been applied to his account in time, is because of the payment method that he has been using, that of a standing order. He says AvantCredit has told him that its system does not automatically pick this payment up and it has to look for it and then manually apply the payment to his account. Mr D says AvantCredit has had plenty of time to do this. He says he has set his standing order to make payment on the 12th of each month and he has to make payment by the 25th of each month, giving almost 2 weeks for AvantCredit to manually move the payment to his account, but on at least four occasions this hasn't happened.

AvantCredit has apologised to Mr D for what has happened for 2 payments in June and July that it didn't apply to his account in time. It did this in its final response letter to him. It has explained within its final response that a standing order is not one of its usual payment methods and the payments do have to be applied manually to his account on its system. It then recommended to him using different payment methods and also at this stage offered to pay £50 in compensation for what it describes as failings that it identified.

Our investigator looked into all of this and found that there were further occasions when Mr D's payments were not picked up by AvantCredit, after Mr D made a complaint to our service. These occasions also resulted in the same outcome with Mr D needing to contact it to reinstate the payment plan. The investigator upheld Mr D's complaint and recommended AvantCredit pay an additional £100 alongside the initial £50 offered by AvantCredit, for the

stress and worry that all of this has caused especially as the same issues continued after the complaint was brought by Mr D to our service.

I have read through all of the documentation supplied by AvantCredit and have read what Mr D has said carefully. I can see that all that Mr D has told our service has happened the way he has described it. And I can see that AvantCredit has gone some way to resolve his concerns by apologising and offering to pay compensation of £50 for the failings that it outlined in its final response. I can also see from a letter provided by Mr D that it looks like the outstanding balance of the loan is now being dealt with by a third party. So, with this being the case, it looks like the same issue won't be reoccurring in the future.

But I do agree with the investigator, that AvantCredit ought to have done more to have rectified the issue after Mr D had made the complaint and after it had offered to put things right in its final response. I also agree with comments already made by the investigator, that there is nothing unusual about someone paying by standing order and that it was up to AvantCredit to find a way to process this payment in good time, once it had accepted it.

So, overall, I agree with the investigator, and I also uphold Mr D's complaint. I think the proposed way to put things right suggested by the investigator is fair and reasonable in the circumstances. So, it is now for AvantCredit to put things right as I describe below.

Putting things right

Based on the above, to put things right for Mr D I think AvantCredit should:

- Pay an additional £100 by way of compensation for the stress and anxiety caused as a result of the prolonged failings in dealing with Mr D's complaint.
- AvantCredit initially offered £50 to Mr D. So, with the additional amount, the total award is £150.

My final decision

My final decision is that I uphold Mr D's complaint and direct AvantCredit of UK, LLC to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 April 2022.

Mark Richardson
Ombudsman