

The complaint

Miss P complains that NewDay Ltd trading as Marbles (Marbles) didn't treat her fairly when she advised them she was in financial difficulty.

What happened

Miss P had a marbles card. In August 2020, she went over her limit of £3,800 – the balance was £3,951.27. On 17 August 2020, and on 27 August 2020, Marbles wrote to Miss P to say she was over her limit and her card was suspended. Marbles asked for the overlimit amount to be paid. On 26 August 2020, Miss P had written to Marbles to say she was in financial difficulty due to the pandemic – as her income had reduced as a result. She asked for help and time to pay. This letter was received by Marbles on 27 August 2020 and was treated as a complaint and directed to their complaint department to investigate. Miss P (or her family) wrote again on 1 September 2020 (received by Marbles on 7 September 2020); and again, on 4 September 2020; 11 September 2020; 16 September 2020 (three letters); and 15 October 2020.

On 9 September 2020, Marbles suspended all collections activity, including letters, texts, and calls. But on 14 October 2020, a default notice was issued.

On the complaint, Marbles acknowledged Miss P's letter as a complaint on 11 September 2020 and issued their final response on 14 October 2020.

Miss P complained. She said she'd been subjected to letters, calls, and texts and felt bullied. She said she'd asked Marbles for help and they didn't provide it. She said she was very unwell – and her letters to Marbles gave details of her mental illness. She said that Marbles made everything much worse. She wanted Marbles to terminate her account and accept payments of £20 a month.

Marbles said their service had fallen short and offered compensation of £95, together with interest of £178.28 and fees totalling £36. In August 2020, Miss P had gone over her limit and didn't pay the minimum monthly amount – so they applied an overlimit fee and a late payment fee. In view of her circumstances, after her letter was received on 7 September 2020 - they'd referred her account to their customer care team and stopped all collections activity on 9 September 2020 – which meant no interest or charges would be applied and they wouldn't contact Miss P. But they upheld Miss P's complaint – because they didn't deal with her letter received on 26 August 2020 effectively.

Miss P brought her complaint to us. Our investigator said that Marbles needed to do more. Miss P was clearly very unwell and this was reflected in her letters. She was a vulnerable customer. Marbles should have acted more quickly on receipt of her letter dated 27 August 2020 – rather than it being given to their complaints team. This meant that there was a delay until 9 September 2020 before any action was taken – during which time Miss P's well-being was badly affected. No update was sent to Miss P about the actions that Marbles had taken on 9 September 2020 – which would've been helpful. Marbles didn't reply to the subsequent letters sent to them - and they should have. While she understood that the default notice had to be sent (in October 2020 – Marbles could have advised Miss P about its context and what

it meant. Overall, Marbles had failed to protect further harm to a vulnerable customer. And for this, our investigator said they should pay further compensation of £500.

Marbles disagreed. They said they'd already refunded interest and fees of £214.28 and offered compensation of £95 – which they felt was sufficient. They'd stopped collection activity on 9 September 2020 – and their records showed they only called Miss P twice between 1 September 2020 and 4 September 2020 – and after that, they tried to call her about her complaint and the default letter later sent. Marbles asked that an ombudsman look at Miss P's complaint.

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.

The content of Miss P's complaint showed she was clearly a vulnerable customer. This meant that Marbles had an obligation to treat her with an appropriate level of care and support.

Miss P's letter to Marbles on 26 August 2020 and then on 7 September 2020 indicates very clearly that she needed help and support. This was further detailed in her (and her family's) further six letters throughout September and October 2020. In those circumstances, Marbles had an obligation to treat her accordingly and give her proportionate support. So – I must consider whether they did.

Miss P had received two letters from Marbles – dated 17 August 2020 and 27 August 2020. These said she was over her limit and her card had been stopped. As a result of the first letter, Miss P first wrote to Marbles on 26 August 2020, she wanted help. She said she was in financial difficulty because of her reduced income through the pandemic. She was concerned about the letters and calls she'd received about her account going over her limit – she said all she wanted was support and help. She told Marbles about her condition. What happened then was that Marbles treated this as a complaint and logged it as such – so it was referred for investigation.

I've thought about this – and what I think would have been a proportionate response here would have been urgent action by Marbles' 'Customer Care Team' – who dealt with customers in difficulty. But because it was treated as a complaint, that didn't happen. And so – Miss P's account remained in the collections department and received some calls and texts. Marbles say she was called two times – on 1 September 2020 and 4 September 2020 and showed us evidence of that.

I haven't asked for text records so don't know what they might show. Miss P says there were a significant number – and I accept that because her testimony around this has been clear and consistent. What is evident from what Miss P has told us and shown us – is that these caused significant distress. And apart from that, she was also concerned she'd not heard anything since she'd received the two letters from Marbles in August 2020 and since her letter that she sent on 26 August 2020 – and this must have been worrying for her.

When Miss P wrote again in a letter received on 7 September 2020 – she gave further details of her condition and her financial situation – and said again how worried she was about her situation and that she'd not heard anything in response to her earlier letter. Marbles then put a stop on collections activity – including calls, texts, and letters. But then – they didn't reply to Miss P's letter, but it was again passed to the complaints department as part of the investigation. It would have been appropriate if Marbles had replied to the letter – and detailed their actions. If they had, Miss P may have felt things were being handled – but

they didn't. Instead, Marbles sent a standard complaint acknowledgment letter on 11 September 2020 – which I would've thought only increased Miss P's anxiety – as she needed to know how she could be helped.

As a result, Miss P (or her family) wrote further six letters – five in September 2020 and one on October 2020. These showed – in detail – the effect that the stress and anxiety was having on her well-being. I looked at these letters – and Marbles' records show they were all received within a few days of their date – and none were replied to. Again, if Marbles had done so – with details of the actions they'd taken – things may have played out in a fairer way for Miss P. But they didn't. So – Miss P and her family were left wondering what was happening. Miss P also showed to us doctor's notes and prescriptions which validated what she'd said – although to be fair to Marbles, I didn't see that she sent anything of that nature to them.

So – here was a customer who was clearly vulnerable and needed help and support. But unfortunately, Marbles didn't treat her situation with enough urgency – and looked to deal with her case as a complaint. That may be Marbles' process, but it meant that Miss P's concerns weren't dealt with fairly in her circumstances. I was pleased to learn that Miss P is now on an interest-free payment plan and paying £34 a month – and she is happy with that. Payments are up to date. And so – it looks like things are working out for her. I hope that continues to be the case. Marbles have offered to consider writing off Miss P's debt – and if she wants to pursue that, she can send Marbles an up to date medical report detailing the reasons that she feels this would be appropriate and Marbles can consider it.

But - I do think that Marbles could have done better in handling Miss P's affairs, and by not doing so, clearly cause her a lot of distress and anxiety – particularly because of her vulnerability. I've considered what compensation is appropriate here. I acknowledge that Marbles have refunded interest and fees of £214.28, which is welcome; and offered compensation of £95. But – I consider the refund of interest and fees something that should've been done anyway in line with Marbles' obligation to treat customers in financial difficulty with forbearance – so I don't consider it to be a compensation award.

I think what happened to Miss P had a considerable impact on her here. This issue went on over a few months, with Miss P clearly being worried and uncertain about what was going on. She's explained the impact that this had on her mental health too – which would have only made things worse. And so – I agree that compensation of a further £500 should be paid, making a total of £595 (assuming that the £95 still hasn't been paid).

My final decision

I uphold this complaint. NewDay Ltd trading as Marbles must:

Pay Miss P £595 for distress and inconvenience. This assumes that the offer of £95 hasn't yet been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 12 May 2022.

Martin Lord
Ombudsman