

The complaint

Mr B complains about a loan agreement with Specialist Lending Limited trading as Duologi.

What happened

Mr B was supplied with a new boiler and entered into a loan agreement with Duologi.

In January 2021 Mr B complained to Duologi. He said he'd agreed an interest rate of 2.9% and not the 9.9% he was being charged.

In response, Duologi said it was upholding the complaint and agreed to reduce the interest charged.

Duologi migrated to a new account management system in March 2021. Mr B's loan wasn't uploaded to the system for several months. When it was uploaded, the original 9.9% interest rate was reinstated.

Mr B received an annual statement in January 2022 which showed the 9.9% interest rate, so he contacted Duologi to complain again.

Duologi began investigating but have not yet reached a resolution for Mr B so he brought his complaint to this service.

Our investigator didn't think Duologi had acted fairly. He said that because Duologi had agreed to reduce the interest rate in final settlement of Mr B's initial complaint, it would be fair for it to honour the 2.9% interest rate and adjust Mr B's repayments to reflect this. The investigator also said that Duologi should pay compensation to Mr B for the worry caused to him.

Duologi said it agreed to pay compensation but said it was still investigating the interest reduction. It said it thought it had reached the incorrect outcome at the time of the original agreement.

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 looked at the final response issued by Duologi on 17 March 2021. In that response, Duologi stated that it would reduce Mr B's interest rate to 2.9%.

I appreciate that Duologi made its offer based on limited information from the supplier. It now says that it believes the outcome was wrong and that the interest rate shouldn't have been reduced.

When a business makes a final offer to resolve a complaint, as Duologi did here, then I'd expect the business to honour that resolution. Mr B was told that the interest rate would be reduced to 2.9% for the remainder of the loan agreement. I don't think it's fair or reasonable

for Duologi to resile from that resolution now.

I've considered the impact that this has had on Mr B. Mr B became aware that the interest rate had gone back up to 9.9% in January 2022 when he received his annual statement. Since then, he's been caused a great deal of worry because he's concerned that the interest rate has gone up when he thought this had already been resolved.

Putting things right

To put things right, Duologi should honour the resolution it set out in its final response letter and reduce the interest rate to 2.9%. it should adjust Mr B's account to reflect this.

Its clear that Mr B has been caused worry by this. Having considered the impact, I think its fair to ask Duologi to pay compensation of £150 for the distress caused.

My final decision

My final decision is that I uphold the complaint. Specialist Lending Limited trading as Duologi must:

Honour the 2.9% interest rate and adjust Mr B's loan agreement accordingly

Pay compensation of £150 for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 September 2022.

Emma Davy
Ombudsman