

The complaint

Mrs F complains about the way that Hoist Finance UK Limited has dealt with her financial problems and that it has sent correspondence about her borrowing to the wrong address.

What happened

Mrs F explains that she has a long-standing debt that's still over £22,000 arising from her business borrowing with another bank. This was sold on to a business that became Hoist. She says she asked it to consider her financial and health issues and write off the debt. She says that it wouldn't do so and based its assessment on incorrect information about her income. And that it wrote to her using a postal address she'd said was no longer correct causing her embarrassment and distress.

Hoist said that it only received new address details from Mrs F in November 2021. And in a call of June 2021 had told her that although Mrs F had requested contact by email it couldn't guarantee it wouldn't write to her. The email address she'd asked it to use had a return message stating that emails wouldn't be read. The information it had received about her income from an external source had been incorrect. But Hoist said that it had taken the correct information about her income and expenditure into account. And that based on her circumstances it wouldn't be writing off the debt. It said that an offer to pay her £75 for compensation for a previous complaint remained open to her.

Our investigator set out separately that this earlier complaint hadn't been referred to this service in time and so we couldn't look into it and this wasn't challenged by Mrs F. But in relation to this further and current complaint he recommended that Hoist pay Mrs F £75 and it agreed to do so. He said that he'd listened to the call Mrs F had with Hoist in June 2021 when she'd explained she was leaving her current address and didn't have an alternative to provide. She's asked to be contacted by email. But the person she spoke to said that post may still come to that old address. He didn't think that this was good enough and there was a possibility that as her post could go to the old address. However, there was a message on the email account that messages weren't being read. And Mrs F didn't notify her new details until November 2021 when she provided a post office box. He said that she could have done this earlier and arranged for mail to be forwarded.

Our investigator said that Hoist had recognised what Mrs F had said about the income figure from an external source. And that it had considered Mrs F's financial position and what she'd said and provided about her health issues and decided not to write the debt off. It had referred to her being in employment and that her health issues weren't sufficient to take that step now. And that she had been making payments to the account before. He said that Hoist wasn't under an obligation to write the debt off. And Mrs F could still refer her points about a data protection breach to the Information Commissioner's Office.

Mrs F didn't agree and wanted her complaint to be reviewed. She said that two letters had gone to the old address. And that these referred to her health, her financial issues and her request to write off a quoted amount of borrowing. Mrs F said that she was embarrassed that people in the area where she used to live would know her personal details. So, she wouldn't go there anymore and see her friends. Other creditors have provided assistance to her and

she couldn't see why Hoist wouldn't. She thought that the impact on her life of what happened was worth more than £75.

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'm sorry to hear about the financial and health issues that Mrs F describes. I need to consider how Hoist has responded to the specific circumstances of this complaint.

I've also listened to the call Mrs F had with Hoist in June 2021 and a further one on 20 October 2021.

The points about that call in June 2021 have been correctly summarised above. I note that Hoist says it emailed Mrs F on 20 July 2021. It appears from the later call in October 2021 that she had received that email. But she agrees that she'd put a return message to her account saying that the email address was no longer in use and messages wouldn't be read. This was based on what she says her doctor suggested. When that return message was received Hoist stopped sending emails. I also understand from the call of October 2021 that it didn't have a daytime number for Mrs F and that she had declined to provide one again. So, I think that may explain why Hoist concluded that the only viable way it had to contact her was by post about her complaint and request.

A final response to that previous complaint dated 15 September 2021 was posted to the old address. And a further bespoke letter confirming Hoist had her medical documents and that it wanted an updated financial statement was sent on 13 October 2021. In correspondence sent to Hoist dated 19 November 2021 Mrs F states that this letter was '*forwarded on to me*'. And the receipt of that letter also seemed to be behind her call to Hoist of 20 October 2021. On that date she confirmed her email and Hoist emailed her to state that it would use the email address unless she objected.

Mrs F provided a post office box for correspondence too on 19 November 2021 and she confirmed the position again on 29 January 2022 stating again that '*I do not have a permanent address*' and providing a forwarding address.

I fully understand what Mrs F says about the risk of the information in letters sent to her being seen by third parties. And her embarrassment about it. I'm not clear that this did actually happen as for example on 16 July 2022 Mrs F emailed this service and referred to the impact of what happened stating '*I can't bring myself to go anywhere near the area in case I see someone I know in case they know my business.*'

I've looked at how Hoist has considered her request to write off the debt. I'd expect it to obtain and consider all relevant information from Mrs F and for example credit reference agencies. It's taken account of what Mrs F said about the income figure it had. And I can also see that her case has been managed by a specialist team so it explains that her medical and personal position can be taken into account. The last payment she made was in October 2020 and her account has been on hold since while her request was assessed and now while this complaint is considered. No interest or charges have been applied by Hoist. I don't have a basis to say that Hoist should take any particular action in dealing with the borrowing and I'm satisfied that it's considered her request appropriately when it made its own decision.

I agree with our investigator's view about compensation. I know Mrs F wants a higher figure. But I take into account my assessment above of what happened, and that Hoist didn't have a

forwarding address or any other it believed effective means to contact her and to deal with her request for assistance with her financial difficulties. So, I will award compensation of £75 for this complaint. I can't require it to pay her the other £75 for the previous complaint as I'm not considering it. So, Mrs F would need to confirm if she wants that paid as well to Hoist and possibly with the assistance of our investigator.

Looking forward I'd expect Hoist to deal with Mrs F in a positive manner and to consider any proposals she makes regarding repayment in a fair way and based on all current information. I understand from what Mrs F says that she's previously accessed free independent debt advice and she may wish to do so again.

I can appreciate she will be disappointed by my decision about compensation given what she's said.

My final decision

My decision is that I uphold this complaint and I require Hoist Finance UK Limited to pay Mrs F £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 17 November 2022.

Michael Crewe
Ombudsman