

The complaint

Mrs M complains that New Wave Capital Limited trading as Capital on Tap contacted her again about a debt she had no involvement with.

What happened

Mrs M explains that her name was used to take out credit fraudulently. And having contacted police that Capital on Tap agreed that she had no responsibility for the debt. She is upset that in August 2022 she received a letter from Capital on Tap about this debt indicating that it did hold her responsible as a guarantor.

Capital on Tap said that an automated collections notice was sent out on 5 August 2022. And this had been sent to Mrs M as she was still listed on the account. It accepted it had told Mrs M in January 2021 that it would be taking action against the individuals responsible for the fraud. And that it couldn't show that any further action had been taken. Capital on Tap apologised and stated *"to avoid further upset, the balance will be written off, the account will be closed, and the Capital on Tap account will be removed from yours and the business credit file."*

Our investigator noted what Mrs M had said about the impact of this further contact on her. And he contacted Capital on Tap about this and it offered to pay Mrs M £150 which he thought was reasonable. He told Mrs M that this service wouldn't be able to direct that Capital on Tap provide legal assurances that this had been dealt with and if that's what she wanted she may need to access legal support. He gave her information about how she could check that her credit record had been corrected.

Mrs M said that she wanted an ombudsman's review before she decided what to do. She said that a crime had been committed and Capital on Tap hadn't followed procedures. She had received assurances before and these hadn't been kept to. And what was offered may have been acceptable when this came to light but not now. Mrs M said that the impact on her including her mental health couldn't be put into words.

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.

It's not in dispute that Mrs M has been the victim of fraud. And she thought that Capital on Tap had dealt with this. And based on what it says in the final response letter she'd agreed to make a statement and or appear in court to help it.

Unfortunately, Capital on Tap hadn't followed through with what it'd told her. In August 2022 it sent a collections letter which brought things back for her. And showed that things hadn't been resolved in the way she'd expected.

It's now agreed to put that right. While we provide informal dispute resolution if Mrs M accepts my decision that would be binding on Capital on Tap. And as it's identified the

mistake I don't have reason now to doubt that it's taken the actions it said it would.

I need to focus on the error in August 2022 and the distress Capital on Tap rather than the original fraudster had caused to Mrs M. She's not said there's been any financial loss for her. Capital on Tap has now made an offer of £150 to reflect what happened and I think that this is reasonable. So, I won't be asking it to do more than that.

My final decision

Capital on Tap has now made any offer to settle this complaint which I think is reasonable in all the circumstances. So, my decision is that New Wave Capital Limited trading as Capital on Tap should take the actions it's agreed to as follows:

- 1) Pay Mrs M £150.
- 2) Remove her name from the account and its business credit file and not hold her responsible for this borrowing.
- 3) Ensure that it doesn't report any information linking Mrs M to this borrowing to external credit reference agencies and remove all existing reports and confirm to Mrs M when it's done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 6 December 2022.

Michael Crewe
Ombudsman