

The complaint

Mr H says Madison CF UK Limited, trading as 118 118 Money, has provided unacceptable service on both his credit card and loan accounts.

What happened

Mr H is unhappy with a number of aspects of the service he has received from 118 118 Money. His complaint points and the lender's response are summarised below.

Fraud on his card

Mr H says he was unable to freeze his card via his 118 118 Money app after he had noticed fraudulent transactions. He is unhappy 118 118 Money did not call him to check certain transactions as he is registered with CIFAS (the credit industry fraud avoidance system).

118 118 Money says the fraudulent transactions Mr H identified were either not claimed, or were refunded promptly to Mr H. As he then asked for the account to be closed a new card wasn't issued. It said being registered with CIFAS would not determine which transactions are checked, this would be down to its fraud prevention strategies. So it made no error in this regard. It had checked its systems and there was no record Mr H had tried to change the status of his card on the app. So it could not comment further on what had happened. But Mr H had suffered no financial loss or detriment.

Late payment on his loan

Mr H says he tried to get in touch in March 2022 as he wanted to change the payment date for his loan account. He says it was impossible to get through and the lender did not call back or respond to his emails. He incurred call costs of £180. As he couldn't speak to the lender until 26 March 2022 his payment was recorded as late and 118 118 Money reported this. Mr H wants the marker removing from his credit file. He told 118 118 Money he will withhold payment until it does this.

118 118 Money says as Mr H did not talk to it about delaying the payment due on 28 March 2022 until 26 March - after the direct debit process had started - it was too late to change the payment date. Had Mr H given more time it would have been able to help. It will not remove the late payment marker from March (or ongoing) as it is an accurate reflection of how he managed his account.

Problems contacting 118 118 Money

118 118 Money observed that Mr H had made 26 calls from around the end of March, and that there were no relevant calls or call attempts prior to 26 March 2022. Of the 26 calls, three resulted in a conversation and 23 were missed/abandoned - 9 of these were made out of hours in May and 9 were made on 19 April 2022 at around lunchtime which it accepts was a busy time. It says it does not have a call back system for abandoned calls. But there is no evidence that Mr H could not get through for the month prior to his March payment.

His initial email was sent out of business hours so when Mr H called the next morning 118 118 Money had not had the opportunity to respond. It said many of Mr H's emails were responses to automated emails complaining about the service, but he had already raised a complaint and had been told it would take some time to investigate and respond. 118 118 Money argues there was no need to continually respond to emails that contained no new information.

Mr H wants 118 118 Money to reimburse him for his call costs which he told the lender were £180. It argues there were other cost-free ways he could contact it, like online chat, and it is not responsible for his call costs.

Our investigator upheld Mr H's complaint in part. He said with regards the fraud on the card 118 118 Money had acted correctly. Similarly in the circumstances it was right the lender had reported the March late payment on the loan. However he did feel 118 118 Money could have better managed Mr H's repeated emails by making it clear from the outset it would not be responding. He felt this would have minimised Mr H's frustration. To compensate Mr H for this omission he instructed the lender pay him £50.

Unhappy with this assessment Mr H asked for an ombudsman's review. He said he wanted £250 compensation for all his calls, and he reiterated that he had spoken to the lender on 26 March 2022 which was two days before his loan payment was due. His late payment should not be reported as missed.

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 am upholding Mr H's complaint in part.

I have carefully considered all of Mr H's points, and listened to his call with our investigator about his findings and recommendation. In keeping with our role as an informal dispute resolution service, and as our rules allow, I will focus here on the key issues I find to be material to the outcome of Mr H's complaint.

I find that 118 118 Money treated Mr H fairly when there were fraudulent transactions on his credit card account. After its intervention Mr H suffered no loss that I need to consider. And it has accurately explained to Mr H the role of CIFAS, versus its role, in preventing fraud so I need not repeat that here.

With regards the March loan payment, the lender and the investigator have explained to Mr H that 26 March was too late to request more time as the process to collect a direct debit starts three days before the due date. It follows the payment was late and it was fair for this to be reported. The terminology of 'late' or 'missed' differs between the credit reference agencies but that is outside the control of 118 118 Money. And from the call history 118 118 Money has provided there is no evidence that Mr H had tried to call but couldn't get through before the 26 March. I find there are no grounds to instruct 118 118 Money to change what it has reported on Mr H's credit file.

The fact Mr H made 26 attempted calls between 26 March and 22 May 2022 is not in dispute, but I can see no reason that 118 118 Money should cover the associated costs. Around a third of the calls were made out of business hours and another third at a peak time. I don't think it is unreasonable for 118 118 Money to suggest that Mr H could have tried a free contact channel such as webchat, or tried to call at times other than the predictably busy lunch hour.

I agree that rather than just not replying to Mr H's repeated emails 118 118 Money ought to have explained it would not continue to respond, and by not doing so it caused some avoidable distress and inconvenience. Similarly if it could not make an agreed call back it should have let Mr H know. I find £50 to be fair compensation for this.

I understand 118 118 Money is now working with Mr H to agree an affordable payment plan for his loan. I would urge Mr H to provide the information it requests, if he has not already. I would remind 118 118 Money of its obligation to treat Mr H fairly and with forbearance.

Putting things right

118 118 Money should pay £50 compensation directly to Mr H.

My final decision

I am upholding Mr H's complaint in part. Madison CF UK Limited, trading as 118 118 Money, must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 24 February 2023.

Rebecca Connelley
Ombudsman