

The complaint

Mr C complains that Demirtas Finance Ltd (DFL) failed to pursue his claim that he'd been mis-sold payment protection insurance (PPI).

What happened

In April 2019, Mr C signed letters of authority (LoA) that instructed DFL to act on his behalf to find out whether he'd been mis-sold PPI. Mr C said DFL told him they'd submitted the LoA's to his lenders in June 2019. But despite several requests for updates Mr C said he never found out whether he was entitled to any compensation. And after July 2020 DFL hadn't provided any updates about his claims. He complained to DFL.

DFL said they'd submitted a request for information for Mr C to two of his lenders, I'll call "S" and "Y". But due to the high volume of claims that had been received, followed by the pandemic there had been delays in responses from the lenders about any claims. DFL said they'd kept Mr C updated and had continued to chase both lenders for a response to their request for information. DFL said they couldn't escalate Mr C's complaint to the Financial Ombudsman Service until they'd confirmed that Mr C had PPI and the lender had investigated his claim. DFL also said in April 2021 they'd asked Mr C to complete new LoA's but he only provided online signatures which wouldn't be accepted by his lenders. And they didn't get the signed paper LoA until February 2022.

Mr C wasn't happy with DFL's response and referred his complaint to us.

Our investigator said DFL hadn't done enough to find out from Mr C's lenders whether he'd PPI. And there had been delays and poor service. He said DFL should pay Mr C £250 for the loss of opportunity of getting his mis-sold PPI claims considered.

Neither party agreed, Mr C said any PPI compensation would have probably been more than £250. And DFL said they had done everything they could to get the lenders to provide information about whether Mr C had PPI or not. So, the complaint has been referred for an ombudsman to decide.

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 can't know or speculate whether Mr C would have had successful mis-sold PPI claims with "S" and/or "Y" as there are several factors that lenders would have needed to consider. DFL feel strongly that they submitted Mr C's mis-sold PPI claims to his lenders and that they can't be held responsible for the lenders failure in responding to their requests.

The Financial Conduct Authority (FCA) deemed 29 August 2019 as the deadline for PPI claims to be made. For some lenders the submission of a LoA was accepted as a claim for mis-sold PPI and no further information was needed for them to investigate the mis-sold PPI complaint. But for others a formal complaint with supporting information was required. Any claim

received after the 29 August 2019 deadline wouldn't have been accepted by the lender(s) unless there were exceptional circumstances for doing so.

DFL said they submitted Mr C's LoA in June 2019 to both his lenders. DFL said the submission to "S" and "Y" was sent on a bulk spreadsheet as was the agreed process. DFL hasn't shown they received any acknowledgement from either lender that their request for information was received. But I can see there was an error with the spreadsheet about the date format.

DFL said they submitted Mr C's LoA's to both lenders mid-June 2019. From the information they sent to Mr C:

"What happens after we receive your signed LOAs:

- 1. We submit a legal information request to each brand to identify your claims*
- 2. Once we commence the claims process the brands will have up to 8 weeks to investigate and provide their decisions*
- 3. If they uphold the claim then you will receive your compensation, if they reject the claim then we will escalate the matter to the financial courts on your behalf free of charge"*

So, from this information Mr C would have expected a response no later than the first week of August 2019. As he hadn't heard anything, he asked DFL for an update in June, July and August 2019. I can see that DFL responded in August 2019 explaining about delays in the process due to the volume of claims received as the deadline for making such claims was reached. Mr C asked for updates again in November and December 2019, And again was told about the delays due to the volume of claims. I haven't seen any further updates until Mr C again asked for one in July 2020. DFL said they were waiting the final response from the lender and that the lender would also send the final response direct to Mr C. They said these had been delayed due to the pandemic.

I can see that DFL asked both lenders for an update on the deadline date – 29 August 2019. But I haven't seen any response or acknowledgement from the lenders to DFL. And it wasn't until July 2020, that DFL again asked the lenders for an update. The only response I've seen from either lender was from "S" in April 2021 when they told DFL that they didn't have any evidence of their submission. And "S" asked for the original letter and an up to date signed LoA to be sent to them so that they could consider whether they could look into a mis-sold PPI complaint for Mr C. I haven't seen any response from "Y".

Mr C was living overseas and signed the LoA electronically several times. DFL has said that the lenders would only accept a "wet" signature and not a digital one and that they didn't get the signed paper copy of the LoA until February 2022. While I can see DFL asked Mr C to sign a new LoA I haven't seen any evidence that DFL sent the original LoA to "S" or "Y", or a copy of the bulk spreadsheet they said they'd sent to show the lenders that a complaint had been submitted prior to the August 2019 deadline. Neither can I see they took any steps to update either "S" or "Y" about the difficulties in getting an updated paper LoA to them.

As outlined above any claim received after the August 2019 wouldn't be accepted unless there were exceptional circumstances for doing so. And "S" has said they couldn't locate the details DFL said they'd sent to them.

I can see that DFL in chasing Mr C's claim with both lenders asked for them to auto convert the claims based on their submissions. But again, as outlined above not all lenders would accept a LoA as a claim for mis-sold PPI and required further supporting information. I haven't seen any evidence that either lender acknowledged or responded to DFL until after they asked for an update in July 2020 nearly 12 months after the deadline for making such claims had passed. And I think DFL's request to the business in July 2020 was only made after Mr C asked for an update.

So, DFL haven't persuaded me that that they carried out Mr C's instructions to pursue his mis sold PPI claim with his lenders. One lender said they'd not received any submission and

the other lender never responded. I think DFL could have provided evidence of the submission in April 2021 to "S" to show they'd sent it before the August 2019 deadline, but they didn't. And I think this has meant Mr C's lost the opportunity for a mis-sold PPI claim to be fully investigated as its now over three years since the deadline for making these claims has passed.

In handling Mr C's claim I would expect DFL to adhere to the Claims Management Conduct of Business sourcebook (CMCOB) that provides them with guidance.

CMCOB 6.1.9 says:

"A firm must provide each customer with an update on the progress of the claim at least once every six months, in a durable medium."

And DFL's terms and conditions say:

"KEEPING YOU INFORMED

During the time we are investigating your claim we will provide regular updates to you via email as and when your claim progresses, as well as maintaining regular contact with you via letters, telephone calls and emails."

CMCOB 6.1.13 says:

"If a customer's claim is not successful, the firm must advise the customer of the available methods by which the customer may continue to pursue their claim."

From the records I've seen it was only after Mr C asked for an update that DFL responded. I can also see that in late July 2020 it had been more than six months from their previous response to an update request from him. And I haven't seen any evidence of them advising Mr C that as the lenders weren't responding he could look to pursue his claim with his lenders direct.

Putting things right

I can't know whether Mr C would have received any compensation for mis-sold PPI so I can't ask DFL to compensate him for this. But I do think Mr C has missed the opportunity for a mis-sold PPI claim to be considered. And I can understand his frustration in not being kept updated about what was happening with his claim. So, I think DFL should compensate Mr C for loss of opportunity and poor service and pay him £250 for this.

My final decision

I uphold this complaint. And ask Demirtas Finance Ltd to compensate Mr C for the distress and inconvenience caused by paying him £250 for loss of opportunity and poor service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 March 2023.

Anne Scarr
Ombudsman