

The complaint

Mr M complains that Tandem Home Loans Ltd trading as Oplo refunded a payment to his home loan account in error and have unfairly been pursuing him for repayment of it since then.

What happened

Mr M has a secured loan with Oplo. His monthly repayments are £242.12. He says he noticed on 30 September 2022, that Oplo was attempting to take two payments by direct debit. So, he called Oplo's call centre. As it offered him no solution, he cancelled his direct debit and made a single manual payment instead.

Oplo says the attempt to take two payments was an error that it made on a number of its customers' accounts at that time. To correct the error, it refunded a single payment to all of the accounts affected. However, as Mr M had already taken action to correct Oplo's error, the payment it made to his account was unnecessary. The refunded payment had the effect of putting Mr M's account into arrears, so Oplo asked him to pay it back.

Mr M says Oplo credited his account without his permission. It then issued credit file warnings, warnings that his home was at risk and phoned him every day for two weeks demanding repayment. He said he offered to pay the amount in two instalments, but Oplo rejected that, instead demanding full payment by 14 October 2022. So, Mr M complained to Oplo.

In its final response letter (undated) Oplo acknowledged its error but said the money it refunded incorrectly would need to be repaid by Mr M. It said the letters it sent were automatically triggered. Oplo's letter said it would pay him £50 in respect of its error. Oplo has since told us it will increase its offer to £100 to resolve Mr M's complaint.

Dissatisfied with Oplo's response, Mr M asked us to consider his complaint. Our investigator considered correspondence from Oplo to Mr M and listened to recordings of the telephone conversations between them. She noted that Mr M was told by Oplo that the letters sent to him were generated automatically and it had no intention of starting legal action. Our investigator concluded that Oplo hadn't acted unreasonably by asking Mr M to pay back the money it had refunded. And she thought Oplo's offer to pay him £100 in respect of the distress and inconvenience caused by its error, and its removal of its credit file entry in respect of the arrears on his account was a fair resolution to his complaint.

Mr M didn't accept our investigator's opinion. He said she underestimated the number of calls, texts and emails from Oplo pursuing him for repayment. He said he's made a reasonable offer for repayment – in two instalments – and he'd proactively brought the initial issue to Oplo's attention, providing a solution.

As Mr M didn't agree with our investigator, his complaint has been passed to me for a final decision.

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.

To decide Mr M's complaint, I've thought about whether Oplo's offer reasonably compensates him given the distress and inconvenience its error caused him.

It's clear from what I've seen that Oplo was at fault for the error central to Mr M's complaint. As events transpired, Oplo made two errors. It attempted to take two payments and then made an unnecessary refund. While I've noted that those events and Mr M's actions happened quickly, I think Oplo ought to have known that the refund to Mr M's account wasn't required. I say that because he contacted Oplo to discuss matters over the phone and it would have been clear from his account that only one payment was made. I accept that Oplo was attempting to correct an error over a number of accounts and acted quickly to minimise the impact on affected customers. But it's clear that the error was caused by Oplo.

I've also seen that Mr M was proactive in contacting Oplo and finding a solution to its initial error when Oplo didn't offer one. In the initial call to Oplo he appears to have been understanding that such errors can happen. Following that, Oplo contacted him a number of times for payment of the refund – both in writing and by phone. Given that the error was caused by Oplo, I understand why Mr M feels that the level of contact from Oplo was somewhat heavy handed. And I can see that the wording of its letters may have caused him unnecessary worry. Oplo has said that those letters were automatically generated, but I don't think Mr M would have known that at the point of receipt, so that wouldn't have lessened their impact on him.

I can see that Oplo's approach to retrieving the refund may have been distressing to Mr M, and given his response, also frustrating. I understand that he wanted to wait a few days to see the money in his account – I think that's reasonable. But after that, I haven't seen a compelling reason for him not paying it back. So, I think Mr M could have reduced the impact of Oplo's contact by paying back the refund swiftly. It's my understanding that he still hasn't done so, though that may now have changed.

Mr M hasn't said that the temporary impact on his credit file has inconvenienced him. And, given that Oplo removed the negative entry to his credit file and has increased its offer of compensation for the distress and inconvenience to £100, I think that's a fair resolution. I say that because I think Mr M could have reduced the impact on him significantly if he'd repaid Oplo's overpayment sooner.

As I think the £100 Oplo have offered since Mr M asked us to consider his complaint is fair, as opposed to the £50 it had previously offered, I uphold his complaint. I think it's fair that Oplo hasn't reported arrears to credit reference agencies as a result of its error – or reversed an arrears submission it made. But I think it's reasonable for it to fulfil what it considers to be its obligations in that regard, should Mr M's account be in arrears as a result of its erroneous refund from one month after the date of my decision onwards.

My final decision

My final decision is I uphold Mr M's complaint about Tandem Home Loans Ltd trading as Oplo. Oplo should now make the payment of £100 to Mr M, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 April 2023.

Gavin Cook
Ombudsman