

The complaint

Mr I complains about how We Fight Any Claim Ltd (WFAC) have asked him to pay a fee for a successful mis-sold payment protection insurance (PPI) claim.

What happened

Mr I said he asked WFAC in 2019 to carry out a free check to find out if he'd any PPI policies with his lenders. But said he went direct to his lender I'll call "L" to make his complaint about PPI being mis-sold. In November 2019 Mr I said his claim was successful and he was paid compensation by "L". He said in 2020 WFAC contacted him about making a PPI claim which he didn't pursue with them. But in 2022 they'd asked him to pay a fee for his successful claim and had sent several reminders about this. Mr I said he felt "*harassed*" by WFAC and complained to them.

WFAC said that while Mr I had agreed to a free PPI check being made, he hadn't agreed to use their claims management services. They apologised and accepted that they shouldn't have asked Mr I to pay their fee.

Mr I wasn't happy with their response as he said it didn't reflect the stress that they'd caused him by asking for their fee to be paid. He referred his complaint to us.

Our investigator said "L" had confirmed that Mr I had made his mis-sold PPI claim directly with them. She said while WFAC have now removed the fee as it was unjustified, they should also pay Mr I £100 for the distress and inconvenience they'd caused him.

WFAC didn't agree they said "L" hadn't told them that Mr I had brought his claim direct to them. So, they didn't think they'd acted unfairly in pursuing Mr I for their fee as they thought the success of the claim was because of the work they'd done. They said they'd removed the fee when they realised they didn't have the authority from Mr I to submit a letter of complaint. WFAC asked 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.

It's not in dispute that Mr I made his claim with "L" direct, and that WFAC's fee isn't justified as this has been agreed by both parties. What remains in dispute and for me to decide upon is whether WFAC should pay Mr I redress for the distress and inconvenience he says he's experienced. Having done so I uphold this complaint. I'll explain why.

In May 2019 Mr I instructed WFAC to carry out a free check to see if he'd any PPI policies. The letter of engagement says:

"We agree to carry out a Free PPI Check to identify whether PPI has been sold to you. If we think PPI or a PBA has been sold to you, and if you authorise us to, we also agree to review

the circumstances of your case and (if appropriate) make a complaint on your behalf to claim compensation for the mis-selling of your PPI or PBA policy.”

WFAC has accepted that Mr I only agreed for them to carry out a free check and that he hadn't authorised them to make a complaint on his behalf to claim compensation for the mis-selling of a PPI policy. But WFAC sent a letter of complaint to "L" in late August 2019 without Mr I's authority to do so. When WFAC asked for an update about Mr I's PPI complaint they found that the claim had been successful, and that "L" had paid Mr I compensation in November 2019 for this. As the claim was successful WFAC asked Mr I to pay their success fee for the claims management service they said they'd done for him. But this shouldn't have happened as Mr I hadn't authorised WFAC to submit a letter of complaint, so their fee wasn't justified.

I can understand WFAC's saying that they'd asked Mr I to pay their success fee only after they'd asked for an update from "L" and found he'd a successful claim. So, they didn't think they'd acted unfairly in seeking their fee. But the letter of complaint should never have been submitted by WFAC to "L", as Mr I hadn't authorised them to act on his behalf by providing their claims management service.

So, at this point, in 2019 I think Mr I's claim with WFAC should have been closed, meaning a fee wouldn't have been generated as the only work WFAC were authorised to do for Mr I was to carry out the free PPI check.

While I can see that WFAC has recognised their error in submitting the unauthorised letter of complaint and removed their success fee. I've also seen the emails they sent to Mr I about the payment of the fee they said he owed to them. These show WFAC were asking Mr I to pay a fee of more than £1,000, with several reminders about paying the fee and the implications of non-payment. This included legal proceedings, debt collection and adverse credit reporting which could impact any future credit applications Mr I made.

Putting things right

While I'm pleased WFAC has removed the fee, I think this would have been a worrying and stressful time for Mr I. He was being told he owed money that he didn't, and that he could be taken to court, be pursued by debt collectors, or prevented from acquiring future credit if he didn't pay. So, I agree with our investigator that Mr I should be compensated £100 for this.

My final decision

I uphold this complaint. And ask We Fight Any Claim Ltd to pay Mr I £100 for the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 7 June 2023.

Anne Scarr
Ombudsman