

## **The complaint**

Mr R complains that Everyday Lending Limited trading as GeorgeBanco.com contacted him for payment towards a guarantor loan very shortly after his friend passed away.

## **What happened**

Mr R was the guarantor for a fixed sum loan agreement that was taken out by his friend with Everyday Lending Limited trading as GeorgeBanco.com ("GeorgeBanco").

Sadly, Mr R's friend passed away in October 2022. Mr R contacted GeorgeBanco to inform them of this. They then e-mailed Mr R on 1 November 2022 saying that responsibility for payment under the fixed sum loan agreement fell to him and asked him to call in and arrange this.

GeorgeBanco then emailed Mr R on 23 November 2022 saying that they had been trying to get in touch with their borrower but hadn't been successful. GeorgeBanco said that they'd take the contractual payment due under the fixed sum loan agreement from Mr R a week later.

Mr R e-mailed GeorgeBanco back on the same day to let them know that his friend had passed away and asked them to put the account on hold while he spent some time tracking down his friend's assets and liabilities.

GeorgeBanco replied the following day saying that they'd place a 30 day hold on the account to allow Mr R some breathing space and to stop automated arrears letters being sent to him.

Mr R complained to GeorgeBanco saying that they had bombarded him with e-mails and texts asking for payment so soon after his friend had passed away. GeorgeBanco upheld the complaint saying that their collections agent should have been more sympathetic when Mr R first contacted them about his friend's passing and that they should have applied a 30 day hold to the account at that point.

Mr R wasn't happy with GeorgeBanco's response to his complaint and so he referred the matter to us. Our investigator felt that GeorgeBanco should have been more sympathetic to Mr R. He recommended that they remove any adverse information they recorded on Mr R's credit file and pay him £50 for the distress they had caused him. GeorgeBanco didn't respond.

Mr R didn't feel that £50 was enough and suggested that GeorgeBanco should pay him 10% of the amount paid to settle the loan in December 2022.

As agreement couldn't be reached, Mr R's complaint has been passed to me for a 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.

This complaint has been brought to us by Mr R in his capacity as a guarantor for a loan. While I have seen a copy of the fixed sum loan agreement that was entered into by Mr R's friend with GeorgeBanco, I haven't seen a copy of the guarantor agreement in place between Mr R and GeorgeBanco. However, I am satisfied that Mr R and GeorgeBanco accept that Mr R is the guarantor for this agreement and so I will proceed on that basis.

Mr R contacted GeorgeBanco shortly after his friend passed away. Although I haven't seen a copy of the e-mail they sent Mr R on 1 November 2022, GeorgeBanco has set out what that said. I find that the representative should have handled the matter much more sympathetically bearing in mind Mr R had recently lost his friend should have agreed to place a hold on the account immediately upon being notified of this by Mr R. I note also that GeorgeBanco e-mailed Mr R a few weeks later mentioning that they hadn't been able to contact his friend, when Mr R had already told them that he had passed away.

GeorgeBanco apologised to Mr R, so I'm satisfied that they realised they didn't handle the situation well. I find that because of GeorgeBanco's lack of sympathy towards Mr R, that they should pay him compensation for the distress this caused him. I realise that this may disappoint Mr R, but I find that £50 is a fair sum in the circumstances. I also think it fair that GeorgeBanco removes any adverse information they recorded on Mr R's credit file (if any) in relation to this loan.

### **Putting things right**

GeorgeBanco should pay Mr R compensation and amend his credit file (if necessary) for the reasons I've set out above.

### **My final decision**

I uphold this complaint and direct Everyday Lending Limited trading as GeorgeBanco.com to:

- Pay Mr R £50 for the distress caused to him; and
- Remove any adverse information they recorded on Mr R's credit file about this loan after they were notified of his friend's passing.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 September 2023.

Daniel Picken  
**Ombudsman**