

## **The complaint**

Mr K complains that Credit Hero Ltd (CHL) failed to pursue his complaint about the mis-selling of payment protection insurance (PPI).

## **What happened**

Mr K said he'd instructed CHL to pursue mis-sold PPI complaints with a couple of lenders before the August 2019 deadline for making such claims. In October 2020 CHL told Mr K that one of his claims had been successful. But Mr K said he wasn't updated about the outcome of his other complaint with his lender I'll call "H". Mr K said he'd emailed CHL several times asking for an update, but they never responded.

Mr K said he contacted "H" and was told they'd asked CHL for additional information in November 2020, but the information wasn't provided. They said it was now too late for Mr K's mis-sold PPI complaint to be considered. As CHL hasn't responded to Mr K he's referred his complaint to us.

Our investigator asked CHL to provide their business file so that we could consider what they'd done for Mr K in pursuance of his mis-sold PPI claims. Our investigator found that CHL has gone into liquidation and they didn't provide the requested information.

Our investigator said Mr K has shown he'd instructed CHL to act on his behalf in pursuance of mis-sold PPI complaints. And that "H" had asked for further information from CHL in November 2020 which he said they most likely didn't address. Our investigator couldn't say whether Mr K's claims would have been successful but said Mr K had suffered a loss of opportunity. He asked CHL to compensate Mr K £250 for this.

Neither CHL nor anyone acting for them has responded to our investigator's outcome. Mr K's complaint has been referred to 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 unfortunate that CHL haven't provided any information about their involvement with Mr K's mis-sold PPI claims. But Mr K has provided evidence of his relationship with CHL and testimony about what has happened.

Where the evidence is incomplete, inconclusive, or contradictory, I reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened or not considering the available evidence and the wider circumstances. Having done so I'm upholding this complaint. I'll explain why.

The Financial Conduct Authority (FCA) deemed 29 August 2019 as the deadline for mis-sold PPI complaints to be made. For some lenders the submission of a letter of authority (LoA) was accepted as a claim for mis sold PPI and no further information was needed for them to investigate the mis-sold PPI claim. But for others a formal complaint with supporting information was required. Any complaint received after the 29 August 2019 deadline wouldn't have been accepted by the lender(s) unless there were exceptional circumstances for doing so.

From the evidence I can see, CHL told Mr K about a successful claim he'd with another of his lenders in October 2020. So, I'm satisfied Mr K had a relationship with CHL. I can see that Mr K emailed CHL several times in 2021 asking for an update about his mis-sold PPI complaint against "H", but I haven't seen any evidence of CHL responding to Mr K's requests.

As outlined above its usual for lenders on receipt of an LoA prior to the August 2019 deadline to either accept this as a mis-sold PPI claim – auto conversion – and begin to investigate whether PPI has been mis-sold. Or to reject the complaint as PPI hadn't been found. If the lender hadn't been able to locate an account for Mr K or needed additional information to investigate a claim, I would have expected them to seek the additional information they needed.

I can see Mr K asked "H" about his mis-sold PPI complaint and they said they'd asked CHL for additional information in November 2020. In such situations it was usual for the lender to give a deadline for the additional information they needed to be sent to them. "H" said the additional information wasn't provided. And I haven't seen any evidence that shows CHL responded to "H's" request or that they contacted Mr K about the information that was needed.

The Claims Management Conduct of Business (CMCOB) provides guidance to claims management companies like CHL. I've considered the relevant guidance. CMCOB 6.1.5R says:

*"A firm must notify the customer of: (b) any material development in the progress of the customer's claim; "*

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 CMCOB 6.1.10 says:

*"If, during the period to which the report relates, the firm has not sent any notifications to the customer under CMCOB 6.1.5R, the update should indicate why, to the best of the firm's knowledge, there have been no material developments."*

The guidance goes on to say that updates should continue to be given until the claim is *"finally determined or settled or is withdrawn or discontinued."*

I can't see Mr K was given any updates about his claims with CHL after October 2020.

I can't know or speculate whether Mr K would have had a successful mis-sold PPI claim with "H" or not as there are several factors that a lender would need to consider. But I can understand Mr K's frustration as having had one successful claim with a lender he'd have been hopeful of a successful claim with "H".

While Mr K hasn't shown evidence of paying a premium for any PPI policy with "H". CHL haven't shown me that that they acted on Mr K's instructions to actively pursue his mis sold PPI complaint with "H", as I'm not satisfied, they responded to or acted upon "H's" request for additional information. So CHL hasn't complied with the CMCOB guidance. I think this has meant Mr K's lost the opportunity for his mis-sold PPI complaint against "H" to be considered.

### **Putting things right**

As I mentioned previously, I can't know if Mr K's mis-sold PPI complaint would have been successful. So, I can't ask CHL to compensate Mr K for a successful PPI claim. But I think CHL should compensate Mr K for the loss of opportunity of having his mis-sold PPI complaint considered. They should pay Mr K £250 for the distress and inconvenience caused by this.

### **My final decision**

I uphold this complaint. And ask Credit Hero Ltd to pay Mr K £250 for loss of opportunity.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 August 2023.

Anne Scarr  
**Ombudsman**