

The complaint

Mrs B complains that Bank of Ireland (UK) Plc trading as Post Office Financial Services (Post Office Money) asked for documentation which delayed her loan offer and the loan offer subsequently expired.

What happened

Mrs B applied for a Post Office Money personal loan. She says she was asked for different documentation which she sent them, but they either didn't acknowledge they received the documents, or they said the document wasn't displayed correctly. Mrs B contacted Post Office Money who told her that her application had expired, and she would need to start the process again, which she did, but her application was declined. Mrs B says she had a third party credit card closed around this time and she was relying on the loan to pay off the outstanding balance on a third party credit card. Mrs B made a complaint to Post Office Money.

Post Office Money partially upheld Mrs B's complaint and they offered her £50 compensation. They said that on 12 July 2022 they received her Post Office Money loan application, which was referred, and further documents were required such as the signed loan agreement and evidence confirming her income. They said that they received her documents on 18 July 2022, but they didn't meet their criteria, so they sent her an email requesting that Mrs B contact them, which she did the following day, and the document requirements were confirmed to her.

Post Office Money said they received further documents from Mrs B on 3 August 2022 and again they didn't meet their requirements, but they couldn't see that they emailed Mrs B this time, which meant Mrs B had to contact them unprompted, which she did on 18 August 2022, where she was told what documents were outstanding. They say they received these documents on 1 September 2022, but her application had expired. Mrs B was told on 13 September 2022, when she called them, that her application had been cancelled due to no response. Mrs B brought her complaint to our service.

Our investigator said that she thought the £50 offer of compensation was fair. She said the application had expired as Mrs B was unable to send in the documents required in the format Post Office Money required before the deadline. Mrs B asked for an ombudsman to review her complaint.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

Mrs B has mentioned her third party credit card was closed around the time of her application for the Post Office Money loan. But here, I can only focus on the actions of Post Office Money as this is who her complaint is against. If she has concerns about the actions of her third party credit card provider, then she will need to speak to them separately."

Mrs B applied for the loan on 12 July 2022. Although Post Office Money are unable to send us the exact emails they sent Mrs B due to the time that's passed since they sent them, they have sent us a screenshot which shows they sent her three emails in total. The email address they sent them to is the same email address that Mrs B provided to our service. They have sent us a template of the first email they sent Mrs B and this is showing on the screenshot as being sent on 12 July 2022. This shows that Mrs B's application is approved in principle. It gives her instructions to read, sign and date her loan agreement and to upload it to their online portal. They also ask her to upload the documents they have asked for. And it asks her to ensure she can see all four corners of the document before she uploads it.

This email also says "You must upload your documents back to us within 30 days of your application, otherwise it will expire and you will need to re-apply". So I'm satisfied that Post Office Money are clear that they need the required documents within 30 days of her application. As her application was made on 12 July 2022, then 30 days from this date would be 11 August 2022. I can see that Post Office Money sent Mrs B another email on 14 July 2022 with the reference "Refer+2 day". It's not clear of the contents of this email. But it's probable this was a reminder of what she needed to do.

Mrs B has said that she uploaded the required documents as well as sending them by post. I can see that the copy of the tax document, which was received by Post Office Money on 18 July 2022, does not show all four corners of the document, and as such, from their prior instructions, I'm satisfied it was reasonable for Post Office Money to reject this. The third email Post Office Money sent Mrs B is dated 18 July 2022 and asks her to contact them.

I've listened to this call and Mrs B was told that they couldn't accept the cropped tax document. The call handler asked Mrs B if she had received any documents from Post Office Money yet and Mrs B confirmed she hadn't. The call handler told Mrs B that she would need to sign and return both pages of the credit agreement and to ensure she sent her income information showing all four corners.

I've listened to another call which Mrs B had with Post Office Money. It appears this call was on 2 August 2022 and Mrs B is wanting an update. The call handler tells Mrs B that they hadn't received her loan agreement. Mrs B says she has uploaded it and they agree Mrs B would upload the credit agreement again, and also send them a copy by post. There are a number of documents that Post Office Money received from Mrs B on 3 August 2022. I can see the credit agreement was not showing all four corners and was quite blurry, and both the pension and tax documents did not show all four corners. So I wouldn't have expected Post Office Money to be able to accept any of these documents Mrs B sent.

But what I would expect Post Office Money to do is to email Mrs B to ask her to contact them – just like they did previously. But Post Office Money did not do this. Mrs B went on holiday and the application expired. It's not clear if Mrs B could have provided the relevant documentation before the deadline expired given that she went on holiday, but the lack of email from Post Office Money didn't give her a chance to scan these documents and upload them. Post Office Money do admit to letting Mrs B down here and that is why they offered her compensation.

But I'm persuaded Post Office Money let down Mrs B further. I say this because after they didn't email Mrs B to let her know they didn't accept the documents, Mrs B rings them when she returns from holiday. But the application would have expired by this point when Mrs B hadn't provided the acceptable documents by 11 August 2022. Post Office Money's procedure is to not contact applicants when their applications expire, so I can't say they've done anything wrong by not telling her this prior to the call. But when she rang them on 18 August 2022, the call handler should have explained that the deadline had passed. He told

Mrs B that they received her credit agreement that morning and the credit agreement was fine, but they were waiting for her income documentation.

The call handler says Mrs B needs to download the income document, and if she couldn't do this she would need to call HM Revenue & Customs (HMRC) for a copy of this. The call handler says that she can send this to them in the post as well. Mrs B says she needs to know if the loan will go through or not before she does anything, and the call handler just replies "ok" and then he says once the document is sent they can complete the final checks. So here, Post Office Money has inconvenienced Mrs B by asking her to take actions that she didn't need to do – because the application would have already expired. An expectation was set that they could still complete their final checks.

I can see that Post Office Money did receive the remaining documentation on 1 September 2022 which was acceptable. But the application had already expired, so this is why Post Office Money didn't contact her to acknowledge this. Mrs B then rings Post Office Money on 13 September 2022, where she is told her application had expired as they didn't receive the documentation within 30 days. I'm unable to see what scans were uploaded to Post Office Money's systems since Mrs B's application was referred, but on the call on 13 September 2022, Mrs B tells the call handler she scanned the same documents as the physical copies that she had sent in the post to them. So as these weren't acceptable, this is why I'm persuaded the scans weren't accepted either.

Mrs B has said that she applied for the loan again with Post Office Money and was declined this time. I asked them about this, and they sent me a screenshot to show that they had three applications for a loan from Mrs B. This screenshot shows that all of the applications were made on 12 July 2022 and two were declined on their system as the first application was referred. Post Office Money has confirmed that these would not leave a hard search on Mrs B's credit file. So the evidence suggests a further application was not made by Mrs B after the original application had expired. If Mrs B disputes this, then she may wish to provide evidence of another application to Post Office Money and make a complaint if necessary.

Mrs B wants Post Office Money to re-offer the loan to her. But it would not be responsible of me to ask them to do this. I say this because Mrs B's financial circumstances could have changed from when she first applied to now, and she didn't provide the documentation that Post Office Money asked her to send in the correct format before the deadline expired. So I'm unable to ask them to re-offer her the loan.

Post Office Money have already offered £50 to resolve this complaint. But I'm satisfied that this is not enough compensation for the impact their errors had on Mrs B. I say this because not only did they not send her the email they should have done on 3 August 2022 (or when scans were also unsuccessful), but they inconvenienced her by asking her to take actions on the call on 18 August 2022 after the loan application had already expired. This resulted in Mrs B having to get documentation, post this to Post Office Money and resulted in her having to give them another call back only to be told her application had expired, which would be distressing to find out she did this for nothing. So I'm satisfied that an extra £100 to total £150 compensation would be fair and reasonable for what happened here. So it follows I intend to ask Post Office Money to put things right for Mrs B."

I invited both parties to let me have any further submissions before I reached a final decision. Post Office Money said they had no further information to provide or comments to make. Mrs B said she had a couple of issues. In summary, she said there was only one email sent to her about the loan, which was the initial one asking her to give them a call, she said she was only asked for one document on the call and there were no emails sent to her after this email, so she had to call them, but they wanted a copy of documents which she

had already sent them that were alright. She asked why Post Office Money sent our investigator the digital copies and not the physical copies she sent through the post that were confirmed as alright. She said she would like to see the emails they claimed to have sent her and questioned why these would be deleted during an ongoing dispute. Mrs B sent us an email from Post office Money which she says they declined her new application after her original application timed out.

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.

In deciding this complaint I've carefully considered the submissions that have been made by Mrs B and by Post Office Money. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

The evidence shows that Mrs B was sent three emails by Post Office Money. I know she says she received one, which was the email to contact them. But I think it's likely she would have received the first email. I only say this because this email told her that her application was approved in principle and told her what documents she would need to send them. It also shows how she would be able to upload these documents. As Mrs B did upload documents that's why I'm persuaded she got this email after she submitted her application. The screenshot that I referred to in my provisional decision displays the same email address as Mrs B gave our service and it shows to the second this was sent to her, on 12 July 2022 at 3:22:10pm. But even if Mrs B didn't see this email I don't think it would have made any difference to what happened here as she was still able to upload her documents onto the system and the call handler she spoke to on 18 July 2022 told her they couldn't accept cropped documents.

The email Post Office Money say they sent her on 14 July 2022 shows again they sent this to her correct email address at 4:03:36pm. This appears to be a reminder of the first email, so again, even if Mrs B did not receive this, I'm not persuaded that her receiving this email would have resulted in a different outcome here. I know Mrs B wants a copy of these two emails that she didn't receive. But Post Office Money are unable to send us these due to the time that's passed. While Mrs B had an ongoing dispute with them, they are not required to change their systems to keep every email they send when a complaint is raised. And our service does not have the power to ask Post Office Money to change their systems. So while I can't forward the other two emails to Mrs B, I hope she realises that in all likelihood that they wouldn't have made a difference to what happened here as these were sent before her email on 18 July 2022 to contact them.

I'd like to inform Mrs B that our service did receive the scans of the physical post that she sent Post Office Money of her documentation. The first document they received was the tax document and this is what I believe prompted the email from Post Office Money for Mrs B to contact them. But they did not accept this document. As I said in my provisional decision *"Mrs B was told that they couldn't accept the cropped tax document. The call handler asked Mrs B if she had received any documents from Post Office Money yet and Mrs B confirmed she hadn't. The call handler told Mrs B that she would need to sign and return both pages of the credit agreement and to ensure she sent her income information showing all four corners."* So Mrs B hadn't received her credit agreement at that point and Post Office Money was clear that her tax document was *"cropped"* (not showing all four corners).

The next physical post that Post Office Money received from Mrs B was on 3 August 2022. This was still within the 30 day timeframe. As I said in my provisional decision *"I can see the credit agreement was not showing all four corners and was quite blurry, and both the pension and tax documents did not show all four corners. So I wouldn't have expected Post Office Money to be able to accept any of these documents Mrs B sent."* From listening to the calls Mrs B had, no call handler said any of her documents were accepted prior to the 30 day deadline expiring. It was only after the deadline expired that Mrs B had sent documentation that was acceptable to Post Office Money. I will ask our investigator to send Mrs B the post that Post Office Money received from her on 18 July and 3 August 2022, so she can see that none of the four corners were showing on any of the documents she posted them prior to the deadline expiring on 11 August 2022.

It was only on 18 August 2022 that Post Office Money received an acceptable credit agreement from Mrs B (albeit it was now after the deadline). Again, I will ask our investigator to send Mrs B this so she can see this is different to the credit agreement that Post Office Money received on 3 August 2022 from her. They then received an acceptable tax document from Mrs B on 1 September 2022. So I'm not persuaded they did ask her for documents which had already been accepted.

I've considered the email that Mrs B has took a screenshot of regarding another application for a loan to Post Office Money. While I can understand why she believes Post Office Money have declined her application, and the email shows an application reference number, I'm persuaded this is not an official application which she made – which would tie in with what I said in my provisional decision *"I asked them about this, and they sent me a screenshot to show that they had three applications for a loan from Mrs B. This screenshot shows that all of the applications were made on 12 July 2022 and two were declined on their system as the first application was referred."*

The reason why this was not an official application is because it says *"Your likelihood of being accepted for a loan with us is 0/10, so we're unlikely to approve a loan for you if you apply"*. So although it's likely they would decline an application for Mrs B if she applied for a loan, this was not an actual application, otherwise they wouldn't reference what would happen if she applied. Although Mrs B says none of her circumstances have changed, Post Office Money's lending criteria may have changed from when she first applied to when she received the email telling her that the likelihood of her being accepted for a loan with them is 0/10. It is not the role of this service to tell Post Office Money who they should give loans to or not.

In summary, Mrs B's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. I know Mrs B will be disappointed, but I hope she understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask Bank of Ireland (UK) Plc trading as Post Office Financial Services to pay Mrs B a total of £150 compensation (less anything they have already paid her) for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. Bank of Ireland (UK) Plc trading as Post Office Financial Services should pay Mrs B a total of £150 compensation (less anything they have already paid her) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 18 July 2023.

Gregory Sloanes
Ombudsman