

The complaint

Mr I complains FUND OURSELVES LIMITED (“Fund Ourselves”) gave him a loan which he couldn’t afford to repay.

Mr I also says that he tried on a number of occasions to contact Fund Ourselves to set up a repayment plan but his emails went unanswered.

What happened

Mr I was advanced one loan by Fund Ourselves on 1 December 2022 for £450. Mr I was due to make four monthly repayments of £219.60. Mr I was able to make his first repayment as expected but has then had problems meeting his other repayments and an outstanding balance remains due.

Fund Ourselves investigated the complaint about unaffordable lending and issued a final response letter (FRL) and determined that no error had been made when it advanced the loan. Fund Ourselves then sent a second FRL dealing with an alleged data breach as well as the fact it hadn’t responded to Mr I’s emails.

In response to the second FRL, Mr I sent to Fund Ourselves screenshots of the emails he had sent asking for a repayment plan. In response, Fund Ourselves said:

“ we are not in a position that enables us to verify the authenticity of the screenshots provided, therefore we are reasonably certain that we have not received the communication emails you are referring to...”

Unhappy with these responses, Mr I referred the complaint to the Financial Ombudsman. At which point, Fund Ourselves explained Mr I’s email address had been added to its spam list. Fund Ourselves also told the Financial Ombudsman that it had updated Mr I’s credit file to remove the default which was applied and had agreed a repayment plan with Mr I which was due to start from July 2023. It also offered to reduce Mr I’s balance by £50.

The case was then considered by an adjudicator, and he upheld it. He said the loan ought to not have been granted because the credit check showed that Mr I was overindebted and was left with only £55 per month after all his costs. So, the loan couldn’t be repaid sustainably.

The adjudicator was also satisfied Mr I had contacted Fund Ourselves in order to arrange a repayment plan. However, he thought the offer Fund Ourselves had made was fair expect that the payment of £50 should be made directly to Mr I rather than going towards reducing his outstanding balance.

Fund Ourselves accepted the adjudicator’s findings and explained that the new outstanding balance to pay would be £230.40. It also agreed to pay Mr I directly £50 for not responding to his emails.

The offer was put to Mr I and he accepted – the complaint then closed.

However, the day after the complaint closed, Mr I emailed to say that he wasn't getting anywhere with Fund Ourselves, and if didn't pay the compensation by the end of the day he wanted to take the complaint further. Which was contrary to what Fund Ourselves told him – that being the payment was being processed and it could take up to five working days. While trying to sort this matter out, Mr I disclosed information to both the adjudicator and to Fund Ourselves about his mental health.

Mr I, when he didn't hear from Fund Ourselves, asked for the complaint to be considered by an Ombudsman. Fund Ourselves said the payment of £50 was made on 21 August 2023. Mr I didn't accept that the payment had been made and asked for an additional £50.

Following communication between the adjudicator and Fund Ourselves it agreed that it would reduce Mr I's balance by £50 – giving a new outstanding balance of £180.40.

This offer was put to Mr I and he didn't accept it – saying it was “*utterly disgraceful...*”

As no agreement has been reached, the case has been passed to me to resolve.

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.

We've set out our general approach to complaints about this type of lending - including all the relevant rules, guidance and good industry practice - on our website.

I am sorry to hear about Mr I's mental health problems and I do hope he is getting some help and support with this.

I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mr I's complaint.

Mr I doesn't appear to disagree that the loan ought to not have been granted, so I don't need to make a finding on this especially because Fund Ourselves has also accepted this. But for clarity and for completeness I have outlined at the end of the decision what Fund Ourselves has already agreed to do in order to put things right for him – in relation to the decision to lend.

And Fund Ourselves has confirmed that even after the balance has been recalculated Mr I will still owe it a sum of money. And I would encourage both parties to engage in order to find a way forward so Mr I can repay what is owed. And I remind Fund Ourselves to treat Mr I fairly and with forbearance as well as taking account of what it has recently been told about his health.

I accept that Mr I wants an apology from Fund Ourselves and I completely understand that, given that he provided evidence of him sending emails and asking for a repayment plan. Initially, Fund Ourselves couldn't authenticate what he had send it – which I am not too clear as to why. However, it did later accept that Mr I's emails were marked as spam.

Fund Ourselves has in a way, already apologised for Mr I because it says it has already said it needs to pay £50 compensation to reflect that something went wrong. And while adverse information was reported as a result of the emails not being actioned, Fund Ourselves said this was removed within a couple of days – which I consider to be reasonable as it seems to have acted fairly quickly to correct the mistake.

I know that Mr I now thinks that isn't enough and he wants an apology. But this isn't something that I would ordinarily ask, because it isn't really sincere of the lender to apologise if it is being asked to do so. I do acknowledge Mr I's strength of feeling about this matter, but I do think the total award that Fund Ourselves has now said it will pay is fair and reasonable.

There is some disagreement about whether the £50 payment of compensation has been made to Mr I. He says he hasn't received it whereas Fund Ourselves has provided evidence that it has been sent. This payment needs to be received by Mr I, and so Fund Ourselves may wish to double check the payment has been sent to the correct bank account.

Following the closure of the complaint and following the involvement of the adjudicator, Fund Ourselves, has agreed to reduce Mr I's balance by £50 rather than make a further payment directly to him. This balance reduction of £50 is in addition to the £50 award that Fund Ourselves has paid / will pay to Mr I directly.

I've thought about this, and in the circumstances given that the complaint was initially closed as resolved and looking at the circumstances, I think it was reasonable for Fund Ourselves to suggest this new resolution. So, I am doing to direct Fund Ourselves to reduce Mr I's balance by a further £50 – if it hasn't already done so. And I've formally set this out in the 'putting rights section' below.

I know Mr I will be disappointed with the decision that I've reached on this case, but I've thought carefully about everything both parties have said, and given what has gone on, the total redress that Fund Ourselves is going to make is in my view fair and reasonable to resolve these issues. Moving forward, as I've said above, there will likely need to be some discussion about how the outstanding balance is to be repaid.

Putting things right

Fund Ourselves has already accepted the below needs to be done, and so I reiterate here what it needs to do – if it hasn't already done so.

- A. Fund Ourselves should remove all interest, fees and charges from the balance on the loan, and treat any repayments made by Mr I as though they had been repayments of the principal. If this results in Mr I having made overpayments then Fund Ourselves should refund these overpayments with 8% simple interest* calculated on the overpayments, from the date the overpayments would have arisen, to the date the complaint is settled.
- B. However, if there is still an outstanding balance then Fund Ourselves should try to agree an affordable repayment plan with Mr I. And I would remind Fund Ourselves of its obligation to treat Mr I fairly and with forbearance and this will include considering the information he has disclosed about his health.
- C. Pay Mr I directly, if it hasn't already done so £50 compensation.
- D. And as agreed, Fund Ourselves should also reduce the outstanding balance by a further £50.
- E. Fund Ourselves should remove any adverse information recorded on Mr I's credit file in relation to the loan.

*HM Revenue & Customs requires Fund Ourselves to deduct tax from this interest. It should give Mr I a certificate showing how much tax it has deducted, if he asks for one.

My final decision

For the reasons I've explained above, I'm upholding Mr I's complaint.

FUND OURSELVES LIMITED should do, as directed above, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 10 October 2023.

Robert Walker
Ombudsman