

The complaint

Miss B complains about the way Credit Resource Solutions Ltd administered two loan accounts in her name.

What happened

Miss B took out a loan with a business I'll call L for £200 in October 2018 and another for £330 in January 2019. Due to arrears, CRS was instructed to collect the outstanding balance in December 2019.

Miss B's advised that a debt advisory service arranged a debt management plan for her outstanding debts towards the end of 2019. Miss B says she made payments to CRS via the debt advisory service until August 2022 when her DMP ended and all accounts were repaid.

In December 2022 CRS contacted Miss B and said she still owed £192.35 for one loan and £65.35 for the second loan. In January 2023 and March 2023 Miss B attempted to raise disputes with CRS and said the outstanding balance didn't reflect the repayments she'd made via S.

CRS issued a final response and said it had been instructed to collect an outstanding balance of £257.70 by L for one of the loan accounts. But CRS' final response didn't mention the other loan. CRS agreed Miss B had attempted to raise disputes and asked for a complaint to be raised in January and March 2023. CRS said the information Miss B had sent didn't verify the balance was repaid in full and that £65.35 remained outstanding.

Miss B referred her complaint to this service and it was passed to an investigator. CRS was asked to provide its case file. In its submission, CRS said that an error by a member of staff had led to one of the loans being closed despite having an outstanding balance of £192.35. CRS added it had taken the decision not to reinstate the loan and that it had written off the balance. During the investigation, CRS confirmed it would write off the remaining £65.35 it said Miss B owed.

The investigator upheld Miss B's complaint and asked CRS to pay her £100 for the distress and inconvenience caused by the way it had dealt with her disputes. CRS asked to appeal and said it had already written off both loan balances which it thought was fair in the circumstances. Miss B said that CRS had still failed to verify the amounts it had sought to collect after her DMP ended and didn't accept the investigator's view. As a result, Miss B's complaint has been passed to me to make 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file.

I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

In response to the investigator, Miss B has told us the despite agreeing not to pursue the outstanding balances CRS had failed to explain how it arrived at the amount it said she owed. I appreciate Miss B feels the information is unclear. And I can see that the payment information she's provided and told us about don't tally with what CRS has said. But I'm satisfied that CRS has provided statement evidence to support what it said about the outstanding balances. So whilst I understand why Miss B wants a more detailed response, I'm satisfied CRS has already provided all the information it has available to show how the amounts outstanding were reached.

I've reviewed Miss B's case as a whole. And given the nature of Miss B's disputes and the way they were handled by CRS, I think the agreement to write off what it says remains outstanding is reasonable. Ultimately, that means Miss B is no longer responsible for repaying the sums CRS says were owed and no further contact with her will be made. In my view, CRS' agreement not to pursue Miss B further is fair.

The investigator also asked CRS to pay Miss B £100 for the way her disputes and enquiries were handled by CRS. In January 2023 Miss B first raised the issue with CRS but it's confirmed it didn't go on to contact L at that time. Instead, CRS asked Miss B to provide evidence of her claims. But CRS could've started the dispute in January 2023 without reverting to Miss B. CRS's final response apologised for the service provided. But I think a payment of £100 more reasonably reflects the way Miss B's enquiries have been handled and is a fairer way to resolve her complaint. So, in addition to agreeing not to pursue Miss B further, I'm going to uphold her complaint and award £100 for the distress and inconvenience caused.

My final decision

My decision is that I uphold Miss B's complaint and direct Credit Resource Solutions Ltd to settle by paying her £100 for the distress and inconvenience caused in addition to agreeing not to pursue her for the outstanding balances of the loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 27 October 2023.

Marco Manente
Ombudsman