

The complaint

Ms J complains Motherwell and District Credit Union (MDCU) provided poor service.

What happened

Ms J was looking to borrow some money from MDCU and contacted it to ask how much she might be able to borrow. Ms J was told she'd be able to 'share load', pay money into her shares, or savings account, and borrow more money.

Ms J visited her local branch and asked to speak to a specific loan officer. Ms J says a more senior loan officer was rude to her. Ms J asked to wait to see the person she wanted to, and was eventually able to do this.

Ms J couldn't borrow as much as she'd been told because MDCU don't do share loading. Ms J agreed a loan for a slightly smaller amount.

Ms J called the MDCU branch to make a complaint about how she was spoken to, and the senior loan officer answered her call. Ms J wanted to complaint about them, so the call was quite difficult.

Ms J was able to speak to someone else and was given an email address to send her complaint to.

MDCU responded to Ms J's complaint to say it didn't think she'd been spoken to in a rude or hostile way. MDCU explained it had statements from staff members and the consensus from those statements didn't tally with Ms J's recollection.

MDCU agreed it could have done more around accommodating Ms J's request to see a specific person. MDCU said if Ms J had initially seen the person she wanted to it's possible the incident may not have happened.

MDCU agreed to take some recommendations to its board but didn't compensate Ms J.

Ms J brought her complaint to this service. An investigator looked into things, and thought the complaint should be upheld. The investigator thought it was more likely Ms J had received poor service, in branch and on the phone.

The investigator also thought Ms J had been given incorrect information about share loading and thought Ms J had received poor service in the branch. The investigator thought MDCU should pay Ms J £400 to compensate for this.

Ms J accepted the investigator's assessment.

MDCU didn't accept the assessment as its own investigation didn't support the investigator's findings of poor service. MDCU questioned whether this service had reached a fair and reasonable outcome.

MDCU said it didn't provide share loading as this could impact affordability assessments.

I contacted MDCU with my initial thoughts, and it responded further to say it didn't know Ms J experienced poor mental health and the person Ms J told this to hadn't recorded it anywhere.

MDCU also said it felt the loan officer Ms J saw wasn't impartial in relation to their dealings with Ms J. MDCU mentioned the challenges it faces as an organisation staffed by mostly volunteers, and felt this service was being selective in the evidence it considered.

MDCU asked me to issue a decision on this complaint.

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.

There seems little dispute Ms J was given the wrong information about share loading. Regardless of whether this is something MDCU offered at the time, or the very valid reasons MDCU stopped offering this, I think Ms J was told she could share load.

This means I think Ms J was told the wrong thing. And Ms J acted on this incorrect information and paid more money into her shares account in expectation of a larger loan.

MDCU has said it's taken steps to put this right, by applying a discretionary £300 sum to Ms J's loan limit along with the money Ms J paid into her share account.

Whilst I appreciate MDCU has taken steps to fix things, this shows MDCU did the wrong thing initially.

When Ms J visited the branch, she says she was spoken to rudely. Ms J has used some exact words said to her. Ms J says the senior loan officer said "I'm the one you don't want to deal with".

MDCU spoke to the senior loan officer, and they confirmed they said, to Ms J, "oh yes, you're the lady who doesn't want to speak to me".

The loan officer Ms J saw said the senior loan officer can be "very direct, abrupt; I have worked with her a long time now and can see that she is not meaning to be rude, it's just the way some people who don't know her take it".

Another member of staff said the senior loan officer wasn't rude.

I don't think I'm being selective in the reading of the staff statements, three people have made statements, one saying there was no rudeness, one confirms what Ms J says was said to her and the third says the senior loan officer can come across as rude.

On balance, I think Ms J was spoken to rudely, intentionally or not.

I think MDCU was, or should have been, on notice of Ms J's poor mental health. MDCU seems to accept it was, and says it's updated its policies around this. Because I think MDCU was on notice, it should have been more patient and understanding of Ms J.

Ms J says she specifically wanted to see the loan officer she'd dealt with previously. It seems this person wasn't immediately available when Ms J first visited the branch.

MDCU says it doesn't operate a waiting system, but I don't think this is a fair thing to do.

MDCU says there's good reason for this, which I don't think would be right to elaborate on as it may be commercially sensitive. But I think MDCU has an overriding obligation to treat its customers fairly.

In the specific circumstances of Ms J's complaint, MDCU allowed her to see the loan officer of her choice. But I think the process of getting there was the reason for Ms J's upset.

Ms J had to ask to see the specific person and had to speak to the senior loan officer to do this. It seems Ms J doesn't want to speak to this person, and they know it.

Ms J was able to complete her loan application, in branch. But Ms J was unhappy with what happened in branch, so she called in to complain.

Ms J's call was passed to the senior loan officer, the person Ms J wanted to complain about. But, rather than pass this call on to someone else, or tell Ms J it wasn't reasonable to continue the call, the senior loan officer appears to have involved Ms J in conversation.

Again, I've looked at the statement the senior loan officer gave MDCU. In it they say they were passed the call and Ms J said she wanted to speak to the CEO or compliance officer. The senior loan officer responded to say "I'm the nearest thing".

The senior loan officer clarified this comment, in the statement, as the nearest thing to the CEO. I think this comment is unnecessary. Ms J wanted to complain about her experience with the senior loan officer, so wanted to speak to someone higher than them.

For Ms J to be told this wasn't possible is, I think, poor service. And I think it's unfair for Ms J to be expected to continue with a call to someone she wanted to complain about.

Ms J was eventually transferred to someone else and given an email to log her complaint, and did so. But I think this could have been fixed by either the loan officer transferring Ms J straight away or simply saying it was inappropriate for them to continue the call.

And, again, I don't feel I'm being selective with the evidence. I've only gone by what the senior loan officer said they said to Ms J. This broadly matches what Ms J says happened.

I think MDCU provided Ms J with several instances of poor service. Ms J was told she could share load when she couldn't. I think Ms J was likely spoken to rudely in the branch. And I think Ms J had a poor experience when trying to complain.

MDCU has sent in lots of submissions around its compliance and how it doesn't offer share loading and how it's very serious and diligent about its obligations in respect of credit. I accept this is the case, and I want MDCU to know I've considered this.

And I also agree with MDCU's comments around the sacrifices its employees make, and the difference credit unions try to make to local communities.

But I also have to consider the service it provided to Ms J specifically. This service investigates individual complaints from individual consumers. And I have to consider each complaint on its individual merits.

Having done this, I think MDCU provided poor service to Ms J.

I then need to consider the individual impact this poor service had on Ms J. I've carefully looked at, and listened to, what Ms J says was the impact on her.

And, when thinking about the impact, I also need to consider Ms J's poor mental health and the fact MDCU was on notice of this.

Having done all this, I come to the same outcome as the investigator. Overall, I think a compensation payment of £400 is fair in all the circumstances of the complaint.

My final decision

My final decision is Motherwell and District Credit Union should pay Ms J £400 to compensate her for the poor service she received.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 26 June 2024.

Chris Russ
Ombudsman