

The complaint

Mr J complained to us about the actions of Western Circle Ltd, trading as Cashfloat, in relation to a loan he'd taken out.

What happened

Mr J took out a loan with Cashfloat in February 2022. When he fell behind with his scheduled repayments he was contacted by Cashfloat at work by email and also by phone. Mr J says this caused him a good deal of embarrassment at work as well as stress and anxiety.

Cashfloat, having looked into Mr J's complaint, apologised for having emailed and telephoned Mr J at work and offered him £200, to be paid by way of set off against his outstanding loan balance. Cashfloat also said that the offer would only be available to Mr J if he withdrew his complaint and didn't refer it to this service.

I issued my provisional decision on 2 February 2024. I set out an extract below:

Mr J agrees that he may have given Cashfloat his work contact details when applying for the loan and corresponding with Cashfloat. But he says Cashfloat failed to act on his requests on at least two occasions not to contact him at work by email as these were visible to work colleagues and caused him embarrassment.

Cashfloat acknowledged it had made an error in emailing Mr J on three occasions at his workplace. Cashfloat also agrees it telephoned Mr J at work but says it gave no details about the purpose of the call – confirmed by the call recording I've listened to. It also acknowledges the anxiety and embarrassment caused to Mr J by sending emails to his work address without his permission. It was on this basis that Cashfloat decided to offer to reduce Mr J's outstanding debt by £200.

Cashfloat's apology and offer was set out in its final response letter dated 8 June 2023. This was a valid final response letter for the purpose of our rules and included referral rights to this service. I note that the letter stated that the £200 offer would be withdrawn if Mr J decided to exercise his referral rights by bringing his complaint to us. I don't think it's appropriate for the offer to have been made on this basis. Mr J should be able to retain the option to bring his complaint to this service should he wish to do so.

Based on what I've seen about the circumstances of this complaint, I am satisfied that the offer £200 for the distress and inconvenience experienced by Mr J as a result of Cashfloat's error is fair.

It's therefore my intention to uphold this complaint and require Cashfloat to pay Mr J £200 by way of set off against what he owes them."

Cashfloat acknowledged receiving my provisional decision and accepts that it should pay Mr J £200 by way of set off against what he owes.

Mr J hasn't responded to my provisional 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.

Given that I have no further evidence or information to consider, and Cashfloat accepts my award for the distress inconvenience caused to Mr J, I have nothing further to add to my provisional findings.

Putting things right – what Cashfloat needs to do

It follows that I think it's fair and reasonable to pay to Mr J £200 by way of compensation for distress and inconvenience. It's reasonable to pay this sum by way of an offset against what Mr J currently owes Cashfloat.

My final decision

For the reasons I've set out above, I uphold this complaint and require Western Circle Limited, trading as Cashfloat, to pay Mr J a total of £200 compensation by way of offset against what he currently owes, to reflect the distress and inconvenience it has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 19 March 2024.

Michael Goldberg
Ombudsman