

The complaint

Mr J complains that Madison CF UK Limited (trading as 118 118 Money) was irresponsible to lend to him and provided poor customer service.

What happened

Mr J was approved for a credit card with 118 118 Money in May 2021. This was followed by a credit limit increase in November 2021 as follows:

Initial Limit	16 May 2021	£1,200
Limit Increase	10 Nov 2021	£2,000

Mr J says 118 118 Money should never have approved his application with such a high limit. He also says it misplaced two payments resulting in negative information being recorded on his credit file. Mr J says 118 118 Money offered £200 for this, and poor customer service and said it would amend his credit file. However, Mr J complains that his file is still incorrect, and 118 118 Money lost his initial complaint, provided incorrect information, failed to update his phone number and had no one available to speak with when he lost his card.

118 118 Money says Mr J was asked to provide information about income and expenditure, which was then validated. It said its checks ensured Mr J was creditworthy and the card was affordable. It apologised for poor customer service and said it located the missing payments on 21 July 2023. 118 118 Money said Mr J's credit file showed he was in a payment arrangement between November 2022 and April 2023 but showed missed payments from May to August 2023. However, it accepted Mr J had attempted to set up a new arrangement and said it would amend the credit file and offered him £200 and a new repayment plan.

Mr J did not wish to accept this offer as he said it was insufficient to compensate him for all the stress and inconvenience over a prolonged period. He added that 118 118 Money had also not addressed the credit limit increase.

Our investigator recommended the complaint should be upheld in part. She was satisfied that 118 118 Money had carried out proportionate checks when the account was opened and that the credit limit, and subsequent increase, were affordable to him. However, she considered an additional £150 compensation was due for ongoing service issues.

Mr J responded to say, in summary, that he accepted the findings on the irresponsible lending, but he'd like the following issues to also be addressed:

- Incorrect information about a final response that wasn't sent and the impact this had;
- Hours spent on the phone and emailing without response and finally getting a response only after receiving direct contact details;

- Delays caused by 118 118 Money in setting up a repayment plan and the subsequent effect on his credit file;
- The fact that the same details were used for repayments, and most were correctly allocated and that his March 2024 payment has not been allocated to his account;
- Mr J felt that if he'd accepted the £200 payment the complaint would have been treated as resolved;
- The effect the whole experience has had on his mental health;

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.

As Mr J has accepted the investigator's findings about the irresponsible lending, I won't consider that aspect of his complaint further here. That said, I acknowledge that he says two other credit card providers have enabled him to manage his account within sensible limits.

Having read through all the correspondence on this case, it's clear to me that there were significant issues with being unable to talk to a 118 118 Money agent and ongoing delays with responses to emails. I need to consider the impact of that, and the related effect on Mr J's credit file when deciding what would be a fair outcome to this complaint.

I acknowledge that 118 118 Money has already offered Mr J £200 for its poor customer service, and I will now consider that in light of the further issues that Mr J says have not been sufficiently addressed:

- Although I accept Mr J was told that a final response had been sent on 16 August 2023, I am satisfied that this was a genuine error and not done to deliberately deceive Mr J. I say that because a final response letter had been sent on that date in 2022 (with respect to a previous complaint) and I find it more likely than not that this was purely an oversight on the part of the agent who gave the incorrect information;
 - I don't consider further compensation is due for this aspect as 118 118 Money has already apologised for the incorrect information it gave;
- I do not dispute that Mr J spent many hours trying to resolve various issues both by phone and email – in fact 118 118 Money has sent copies of 9 calls that lasted over an hour and 40 minutes in total. I have also seen copies of emails to which Mr J either received no response or a very delayed response. Access to a direct email address does indeed seem to have enabled a more timely response;
 - Given these issues persisted over many months, and impacted Mr J's credit file, I find £200 a little low based upon this service's usual awards – see <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>
- I have seen evidence of the delays in setting up a second repayment plan – caused in part by 118 118 Money not being able to confirm the whereabouts of Mr J's April 2023 repayments until July 2023;
 - I find 118 118 Money's offer to amend Mr J's credit file from May 2023 to be a fair response to the impact of the delay in setting up a repayment plan;

- Although I accept what Mr J says about the same account details being used for all his repayments, I've also seen evidence to show that the reference number he used was missing a digit. 118 118 Money has said that if the credit card number is in the reference field, then payments will be allocated automatically. I acknowledge that Mr J has had an issue with his March 2024 repayment, but I cannot comment on that before 118 118 Money has had an opportunity to officially respond to this new point.
- Mr J is correct when he says he felt that the complaint would have been marked as resolved had he accepted the £200. The final response letter says, *"Please be aware that this offer is being made in full and final settlement of your complaint and all matters arising from it and by accepting the redress payment, you are confirming your acceptance of the full and final settlement."*
- I have seen evidence to show Mr J told 118 118 Money about his mental health issues in April 2022, so I have taken that into account when considering an appropriate level of compensation.

Putting things right

Based on the above and taking into account the delays in amending Mr J's credit file, I'm not satisfied that £200 is sufficient compensation. Although I can't conclude there has been a direct financial impact on him, I find £350 is a more reasonable figure for the ongoing inconvenience and stress this has caused to him.

So, in summary I find 118 118 Money should pay Mr J £150 in addition to the £200 it has already offered, and the amendments it has made to his credit file, for which 118 118 Money has now provided evidence.

My final decision

My decision is that I uphold this complaint in part. Madison CF UK Limited (trading as 118 118 Money) should:

- Pay Mr J £350 compensation for the poor customer service it has provided and the effect this has had on him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 9 May 2024.

Amanda Williams
Ombudsman