

The complaint

Mr and Mrs M have complained that a statement they received from Mars Capital Finance Limited contained some incorrect information which they say caused them stress, anxiety and sleepless nights.

What happened

Mr and Mrs M had a secured loan with Mars.

On 14 March 2023 Mars sent them a monthly statement for the loan and in that it said their payment would be higher in April – increasing from £377 to £492 for the payment due on 17 April. At that time the loan balance was £13,235.

Mrs M called Mars on 20 March to query it, saying her interest rate has always been the same and never increased. She said it had caused her a lot of stress and anxiety when she read it. Mars told Mrs M that there was a known issue which had led to the monthly payments being recalculated in error and that Mars was looking into it. It said it would be able to provide more information the following day, and it was agreed that it would call her back then.

Mars called Mrs M on 21 March and said it would send her a letter explaining the error and confirmed that it would be rectified before April. Mrs M said she wanted compensation, and Mars agreed to look into it and call her back.

On 22 March Mars offered Mrs M £25 compensation, but she said that wasn't sufficient and so it was raised as a formal complaint.

Mars sent an apology and rectification letter to Mr and Mrs M the same day which explained that the April payment would be the same as the March payment, and it apologised for the error and any inconvenience caused.

Mrs M told Mars on 23 March that she'd received another incorrect copy of the statement.

On 27 March and 19 April Mars sent holding letters to Mr and Mrs M saying it was still considering the complaint, and it then sent its response to the complaint on 15 May. In that it apologised again for what had happened and said it had arranged to pay compensation of £100 into Mr and Mrs M's bank account in recognition of the distress that had been caused.

Unhappy with Mars' response, Mr and Mrs M referred the complaint to our service. They said they didn't feel £100 was adequate for all the sleepless nights, stress and anxiety it had caused them.

Our Investigator spoke to Mrs M on the phone to find out what Mr and Mrs M were looking for to resolve the complaint, and she said they would like the equivalent of at least a monthly payment reimbursed, maybe more. Mrs M also said they'd paid off the loan in 2023 after they complained.

After considering everything both sides had said and provided our Investigator set out her thoughts on the complaint. She said she felt £200 was fair compensation (that is, a further £100).

Neither side agreed with our Investigator and so it was passed to me to decide.

What I've decided – and why

I issued a provisional decision earlier this month, the findings of which said:

“It's not in dispute that something went wrong and Mars' statement of 14 March included an incorrect monthly payment to be collected on 17 April.

Mrs M notified Mars of the issue on 20 March and it reassured her in that call that it was a known issue that was being investigated, and an internal meeting was being held that afternoon after which more information would be known, and it said it would call her back the following day.

Mars called Mrs M the following day and said that her monthly payment wouldn't be changing in April (it would remain the same as March) and a letter was being sent to explain and apologise. That letter was sent on 22 March and was very clear that the statement of 14 March was wrong in respect of the April payment due, and it said the actual payment would be £377. It apologised for the inconvenience caused.

Whilst Mrs M told Mars on 23 March that she'd received another incorrect copy of the statement, Mars has said it has no record on its systems of another copy being issued so it is unclear what happened. In any event, it should have been apparent to Mr and Mrs M that it was a duplicate of the 14 March statement (as it was dated the same day and contained the same information) which Mrs M had already been told was wrong and was being rectified.

Mr and Mrs M have said the matter caused them stress, anxiety and sleepless nights, but I do need to keep in mind that they first notified Mars of the issue on 20 March and they were told the same day that it was a known issue, reassured the following day that the April payment wouldn't be changing, and the day after that a letter was issued to explain matters. So there was no notable time period in which Mr and Mrs M would have been under the belief that their April payment would be higher.

I now turn to Mr and Mrs M's request for a higher sum than the £100 already paid by Mars for the distress and inconvenience caused. Whilst I understand Mr and Mrs M's frustration, as I've said, this was an incident that was resolved within days.

I've considered everything that both sides have said very carefully, along with our normal approach to awards for distress and inconvenience, and having done so I'm satisfied Mars' apology and offer of £100 that it put forward in its response to the complaint – and has since paid – is more than sufficient to remedy this matter. For that reason, I'm not intending to uphold this complaint or make any further order or award.”

Despite a reminder of the deadline, neither side made any further submissions.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, and having considered the full file afresh, I see no reason to depart from my provisional findings.

My final decision

I don't uphold this complaint as I'm satisfied the £100 Mars has already paid is sufficient compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 25 April 2024.

Julia Meadows
Ombudsman