

## **The complaint**

Mr D says ONMO Limited unfairly terminated his debit and credit card accounts and that its actions adversely affected his credit rating.

## **What happened**

Within a week of him opening the accounts, ONMO notified Mr D by email that they'd been terminated in line with the account terms and conditions. The email referenced fraud prevention.

Mr D was unhappy with this and alleged ONMO's actions had negatively impacted his credit file as a result. ONMO didn't respond to his concerns within eight weeks of his complaint and so he came to this service.

Our investigator looked into the complaint and recommended that it should be upheld. They agreed with ONMO's offer, made after we'd received the complaint, that Mr D should be compensated for being told the credit card account had been closed when in fact it wasn't, since there was an outstanding balance on it. The investigator believed compensation should be backdated to include any transactions made before Mr D was informed of the closures. ONMO should remove any relevant adverse data from his credit file and reimburse any overpayments he'd made, plus pay him £150 as compensation for the distress and inconvenience caused.

Ultimately, although Mr D wanted significantly more compensation than the investigator recommended, he confirmed his acceptance of their findings. ONMO failed to respond to the investigator, despite requesting that it do so multiple times.

As ONMO didn't respond, the complaint was passed to me to review afresh and reach 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.

Having done so, I uphold the complaint. I'll explain why.

The account terms and conditions explain that ONMO can terminate the accounts at any time. They say ONMO will endeavour to notify the customer in advance or as soon as possible afterwards.

From experience, such clauses are commonly found in account agreements. I recognise that Mr D's unhappy with ONMO's actions in this regard, but I'm satisfied it's acted fairly and in accordance with those terms and conditions.

That said, it's not in dispute that ONMO could have handled Mr D's accounts and subsequent concerns better than it did. For example, it accepts it told Mr D both the credit

card and debit card accounts had been closed when in fact the credit card account remained open. This was because there was a balance on that account and so ONMO couldn't close it.

It seems that, as Mr D was unaware the credit card account was still open, he incurred interest, fees and charges. I'm glad to see ONMO's now agreed to waive these from the date Mr D was notified of the closures. But I think it would be fair for it to waive them from before that date too. I say that because ONMO omitted to tell him he had an outstanding balance on the account when it wrote to him. It's understandable if he was unaware of the payments that still needed to be made. And so ONMO should arrange for any adverse information relating to these issues to be removed from Mr D's credit file too.

Any amounts Mr D's paid that he wouldn't have done had ONMO not made these errors should be refunded to him with interest.

Finally, I've thought very carefully about Mr D's points regarding the level of compensation he feels he's due overall. But, taking everything into account, I don't consider that any more than the above – plus the £150 the investigator also recommended – is warranted in the circumstances.

### **Putting things right**

ONMO should:

- Waive any interest and fees charged to Mr D both before and after he was notified of the account closures; and
- Remove any adverse information on Mr D's credit file relating to the issues surrounding this complaint; and
- Reimburse Mr D for any overpayments he's made as a result of ONMO's errors together with 8% simple annual interest<sup>†</sup>, calculated from the date of any overpayments to the date of reimbursement; plus
- Pay Mr D £150 as compensation for the impact of the distress and inconvenience it's put him to.

<sup>†</sup> HM Revenue & Customs requires ONMO to take off tax from this interest. ONMO must give Mr D a certificate showing how much tax it's taken off if he asks for one.

### **My final decision**

For the reasons given, I uphold this complaint. I require ONMO Limited to put things right for Mr D as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 31 May 2024.

Nimish Patel  
**Ombudsman**