

## **The complaint**

Mrs W complains about the way that Salad Finance Limited trading as Salad Money has treated her.

## **What happened**

Mrs W took out a loan with Salad Money in April 2022. Mrs W says it refused to help her after an extended illness and redundancy. Mrs W says Salad Money would not change the amount she had to repay so she had to cancel her direct debit. Mrs W says that Salad Money made daily and weekly calls which placed her under even more stress.

Mrs W is unhappy that Salad Money issued a default notice against her without writing to her at the correct address. Mrs W wants Salad Money to restart the default process using her correct address.

Our investigator didn't uphold this complaint. As Salad Money said it had not been told about the change of address until December 2023, our investigator didn't think it unfair to continue using the address it held on file for correspondence. He thought that as Mrs W responded to email correspondence, she was aware of the status of the loan.

Our investigator didn't agree that Salad Money hadn't tried to help Mrs W and could see that it had agreed payment holidays. Our investigator didn't think Salad Money's communication was excessive.

Our investigator noted that Mrs W told Salad Money she would settle the loan from her redundancy payment. So, he didn't think Salad Money acted unreasonably when it terminated the loan after not hearing further and receiving no payment.

Mrs W disagrees with the investigation outcome. She says Salad Money was made aware of her change of address in early 2023. Mrs W says there is a legal obligation on Salad Money to serve default correspondence to the correct address.

Mrs W says that due to illness and living in a remote place, she was not able to view emails as frequently. Mrs W says that emails would often go to her junk mail folder.

Mrs W says that despite being on long term sickness, Salad Money didn't offer any adjustments and refers to obligations under the Equality Act 2010. Mrs W says Salad Money denied her the right to pay less until she could settle the loan.

Mrs W says that the redundancy process took a long time and she waited until late October 2023 to receive her money. Mrs W says she didn't receive further guidance and had a right to receive information by post rather than relying on email.

Mrs W says she is still receiving default notices from Salad Money despite it refusing to accept payment.

## **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.

I appreciate that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern the Financial Ombudsman together with the informal nature of our service, allow me to take this approach. But this doesn't mean I have not considered everything the parties have given to us.

Taking the various aspects of Mrs W's complaint in turn:

### Failure to help

I am sorry to hear about the difficulties Mrs W was facing but I am not persuaded that Salad Money treated her unfairly. Mrs W refers to the Equality Act and Salad Money's obligations under this legislation when it comes to customers suffering from a long term illness. It is correct to say that a long term illness can qualify for protection as a disability under the Equality Act but it would depend on the nature and length of the illness. It would be for the Courts, not our service, to decide whether Mrs W's illness was classed as a disability.

I have still thought about whether Salad Money responded sympathetically once it was made aware in November 2022 that Mrs W had been unwell since earlier that year. The evidence provided shows that Salad Money emailed Mrs W to say she would receive a message inviting her to go through an open banking assessment similar to the one it conducted when she applied for the loan. This would have allowed Salad Money to assess her request for a payment holiday. Salad Money also signposted Mrs W to a free debt advice charity for support. And it told Mrs W that it would follow whatever advice the debt charity gave to her regarding the loan. So, I am satisfied that Salad Money responded appropriately to Mrs W's difficulties.

I can see that there was some confusion in early 2023 after Salad Money sent Mrs W a notice of default as she thought a payment arrangement was in place. Salad Money explained that as it had not received the information it requested in November 2022, it had not issued a payment holiday. But Salad Money agreed to apply a retrospective payment holiday once Mrs W had made her payment in February 2023. So, I still think Salad Money responded fairly to Mrs W's financial difficulties.

Once Mrs W said that she was being made redundant at the end of August 2023 and would pay the outstanding balance early with her redundancy payment, Salad Money put her account on hold. Again, I think this is further evidence of Salad Money taking account of Mrs W's personal circumstances.

Overall, I think the above shows that Salad Money made reasonable and genuine attempts to help Mrs W when she was struggling financially. Salad Money also agreed several payment holidays – again, an indication that it was trying to help support Mrs W.

### Repeated contact

I can see that Salad Money made several calls each month to Mrs W between September 2022 and November 2022 but once it was made aware of her financial difficulties, I can't see any record of it making further calls until early September 2023. So, I am not persuaded that Salad Money's contact was excessive.

### Change of address

Salad Money acknowledges that in February 2023, Mrs W said she had lost her home but at this point, she did not supply a new address. It was not until December 2023 that Mrs W gave Salad Money her new address. So, I don't consider it unreasonable for Salad Money to continue to use the address it held on file.

I also note that Salad Money sent copies of the letters by email. I think it would have been fair to expect Mrs W to notice that Salad Money was using her previous address for correspondence. And if she had concerns about this, Mrs W could have given Salad Money details of her current address.

Although Mrs W says she didn't always read or receive the emails that Salad Money sent, the evidence indicates that she responded to the notices of arrears and termination. For example, on 27 September 2023, Salad Money sent Mrs W a notice of arrears to which she replied to say she was going to make the payment that day. So, I am satisfied that Mrs W was aware of the arrears on her account.

As Mrs W didn't make further payments and didn't contact Salad Money again until late December 2023, I don't consider it was unfair to terminate her account in November 2023.

Salad Money has explained that it does not report Mrs W's account to the credit reference agencies. If this is not the case, I suggest that Mrs W let Salad Money know.

When Mrs W responded to our investigator's view, she was unhappy that Salad Money was still sending her default notices. As this is a new complaint point, Mrs W would first have to raise her concerns with Salad Money before we could investigate.

Finally, if Mrs W is unhappy with the way that the debt collection company is managing collection of the outstanding debt, I recommend that she takes this up with the company direct.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 29 October 2024.

Gemma Bowen  
**Ombudsman**