

## **The complaint**

H complains that there's no option to opt out of receiving text messages about account payments from New Wave Capital Limited trading as Capital on Tap.

## **What happened**

H has an account with Capital on Tap and is set up to make repayments via direct debit. When payments are close to becoming due, Capital on Tap sends customers a text message notifying them. Another text message reminder is sent shortly before the due date.

On 2 April 2024 Capital on Tap sent Mr M (H's director) a text message to say the latest billing period had ended and a payment of £18.93 was due on 8 April 2024. On 5 April 2024, Capital on Tap sent Mr M another text message that confirmed the payment of £18.93 would be collected by direct debit on 8 April 2024.

On 5 April 2024 Mr M contacted Capital on Tap and asked it to switch off the payment reminders he was being sent by text message. But Capital on Tap said the messages were important payment reminders that couldn't be switched off. Mr M said Capital on Tap's approach wasn't in line with standard market practice. A complaint was raised on H's behalf.

On 8 April 2024 Capital on Tap issued a final response but didn't uphold H's complaint. Capital on Tap explained it wasn't possible to switch off the text payment reminders it sends. Capital on Tap also said the text messages were important reminders to ensure customers were aware of upcoming payments. Capital on Tap said it had raised the issue internally to see whether the ability to switch off text message payment reminders could be introduced at some point in the future.

An investigator at this service looked at H's complaint. They thought Capital on Tap had reasonably explained why it can't stop sending payment reminder text messages to Mr M and didn't think it had treated H unfairly. Mr M asked to appeal, so H's case has been passed to me to make 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.

Capital on Tap has highlighted section 25.2 of its terms and conditions that says: *We may contact you by emailing you, writing to you, phoning you or sending you an SMS (text message) using the latest contact details you provided to us. To set up an account you must provide us with information about you, including your email address and phone number.*

So as a starting point, I'm satisfied the terms Mr M accepted when he opened the account on H's behalf with Capital on Tap made provision for it to make contact via various methods, including text message.

Mr M's told us his view is that Capital on Tap's practice of sending payment reminders via text message is at odds with standard market practice. But each business is free to decide how to operate, including when and how to notify customers about upcoming payments. So whilst other businesses may operate differently, Capital on Tap is able to decide how its systems work and when and how to contact its customers so long as it treats them fairly.

I've considered whether the number of text messages Capital on Tap sends Mr M on H's behalf is reasonable or not. If the account is used and payments are due, Capital on Tap will send two text messages about upcoming payments each month. I've read the contents of those text messages but there's nothing in them that would cause Mr M unreasonable inconvenience beyond a reminder of the payment amount and due date. So whilst I understand Mr M feels the text messages are unnecessary, I haven't been persuaded receiving them causes an unreasonable level of inconvenience.

I can see that whilst Capital on Tap has confirmed there's current no facility to stop the text messages, it's agreed to look into whether that ability could be introduced at some point in the future. I think that shows Capital on Tap took Mr M's concerns seriously and is looking at whether it can comply with his requests at a later date. But, ultimately, at this point there's no ability for customers, like H, to withdraw from text message payment reminders sent by Capital on Tap.

I'm sorry to disappoint Mr M but I haven't been persuaded that Capital on Tap has made a mistake or treated H unfairly by sending payment reminders via text message. As I'm satisfied Capital on Tap has acted in line with its terms and conditions and dealt with H's complaint fairly I'm not telling it to do anything else.

### **My final decision**

My decision is that I don't uphold H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 10 September 2024.

Marco Manente  
**Ombudsman**