

The complaint

Mr J complains that ONMO Limited (“Onmo”) failed to properly administer his refund for transactions he didn’t recognise, apply other refunds and didn’t provide an adequate level of customer service.

What happened

Mr J operated an Onmo credit account and noticed a number of payments had been charged against it that were from overseas locations. He advised Onmo about them and asked for them to be removed from his account as he wasn’t responsible for them. He’d also received refunds from other merchants (unrelated to the overseas payments) which Mr J didn’t think had been applied to his account.

The following is an extract from Onmo’s documentation provided by Mr J titled “Your Onmo Statement” for the dates 06/04/2023 – 19/04/2023 :

Date	Transaction Type	Amount
13/04/2023	Payment with refund request	£35.00
13/04/2023	Refund for above payment	£35.00 (doesn’t appear to have been applied to statement)
15/04/2023	Disputed overseas payment	£38.45
17/04/2023	Disputed overseas payment + fee	£21.26 + £0.63
17/04/2023	Disputed overseas payment + fee	£7.53 + £0.22
17/04/2023	Disputed overseas payment + fee	£49.62 + £1.48
	Total disputed transactions with fee (not including refund)	£ 119.19

Mr J was also able to supply a different list of transactions from his Onmo account which also showed the above transactions:

Date	Transaction Type	Amount
12/04/2023	Payment with refund request	£35.00
13/04/2023	Refund for above payment	£35.00

13/04/2023	Disputed overseas payment + fee	£4.59 + £0.22
15/04/2023	Disputed overseas payment + fee	£7.53 + £1.48
15/04/2023	Disputed overseas payment + fee	£49.62 + £0.63
16/04/2023	Disputed overseas payment	£21.26
26/04/2023	Refund for non-overseas payment	£10 (Mr J asserts this wasn't applied to his account)
	Total disputed transactions with fee (not including refunds)	£ 85.33

It can be seen that there's a difference recorded by Onmo regarding some of the disputed transactions.

Mr J has said that he waited for a number of months for Onmo to do anything and spent numerous hours and incurred considerable expense trying to deal with his issue. Mr J said he made around 25 calls to Onmo. He didn't believe that Onmo had refunded the disputed transactions or applied the other refunds to his account. Mr J also thought that Onmo had applied interest to his account from these disputed transactions and wanted Onmo to remove them, ensure that there were no negative reports to the credit reference agencies resulting from these issues and to apply the refunds to his account.

Onmo have said they took a few months to accept the claim and then refunded the disputed transactions to Mr J's account. They told Mr J they'd backdated them to ensure that any fees or interest had been recalculated. Mr J complained to Onmo about their handling of his issue. Onmo then offered to:

- Remove interest and fees applied as a result of the fraudulent transactions.
- Pay £50 for the inconvenience caused.

Mr J didn't accept the offer and continued to believe that Onmo hadn't dealt with his issue appropriately. He continued to doubt that Onmo had applied the necessary adjustments to his account. He said that Onmo failed to communicate with him effectively and whilst his experience with the complaints team was positive, he felt they hadn't been given the necessary support from within Onmo to properly deal with his issue.

Mr J made a counteroffer to include expenses for his calls (£375). Onmo responded and increased their offer to £75 and agreed to pay for expenses incurred whilst communicating with them.

Unhappy with Onmo's handling of his issues, Mr J then brought his complaint to the Financial Ombudsman Service for an independent review where it was assigned to an investigator.

Both parties were asked to provide evidence concerning the complaint and Mr J was able to say that:

- He wasn't confident that Onmo had applied refunds for the disputed transactions, his

other (two) refunds to his account or removed any charges or interest as a result of these transactions.

- He didn't think that Onmo had properly reported his account through the credit reference agencies (CRA).
- Onmo were unable to produce certain statements.
- His account was put over the limit as a result of the disputed transactions and how Onmo had dealt with them.
- He continued to argue that he was due a much larger payment (mainly) based on the phone expenses and his time that he took to deal with Onmo.

Onmo's response said:

- They accepted they'd failed to communicate properly with Mr J.
- The funds had now been returned to his account and he was in the position he would have been if they hadn't taken place.
- They believed Mr J's complaint was more about customer service.
- They'd offered £75 which they believed was appropriate.
- They were happy to cover the necessary costs for the calls.
- They didn't think they should be liable for Mr J's time lost at work because they had out of hours access.

Onmo were asked several times to provide additional details about the way they'd dealt with Mr J's issue. Onmo failed to provide further information, so the investigator made recommendations based on the evidence provided (mainly by Mr J), which in summary said:

- Increase the award for stress and inconvenience to £250.
- Refund fees associated with the disputed transactions.
- Refund £45 from the two refunds not applied to the account.
- Rework the account to ensure any historic interest is taken off.

Onmo responded to the investigator's recommendations and provided an extract from their ledger. They also said:

- They didn't believe the £250 award was fair or reasonable.
- Onmo said they refunded Mr J £85.33 in July 2023 (and backdated to April).
- Further adjustments have been made to ensure Mr J's account reflects the refund and any other fees were removed.
- Additionally, a further set of "reversals" was applied (for the same transactions) amounting to £78.41 which put Mr J back in a better position than he should have been.

- Onmo could have requested the return of these funds – but given the level of service they elected not to.
- There's no evidence of the 25 plus calls claimed by Mr J, although Onmo recognised Mr J had contacted them for updates. Onmo didn't think they should be penalised for a complaint that was still under investigation – which meant their customer service team were limited to what they could tell Mr J.
- Onmo's offer for redress amounts to £153.41 (£75 + £78.41) which they believe is reasonable.

As no agreement could be reached about the complaint, it's now been passed to me for a decision.

As part of my own investigation, I wanted to understand the nature of the payments applied (or not) to Mr J's account as there were some discrepancies in the information provided to date.

I asked Onmo “...I'd like to see a definitive set of transactions and the appropriate refunds of substantive charges, fees and any associated interest applied to his account.”

Based on some other apparent discrepancies on the statement originally provided by Mr J (see above), I also asked Onmo to explain why their statements appear not to show certain transactions in the way I'd expect them to be listed.

Onmo responded and sent in a copy of part of their ledger for recent account activity but didn't provide the necessary detail as requested.

I issued my provisional findings on the merits of Mr J's complaint on 3 May 2024. In my provisional findings, I explained why I intended to uphold Mr J's complaint and offered both sides the opportunity to submit further evidence or arguments in response. An extract of that decision is set out below and forms part of this final decision:

What I've provisionally 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.

It's agreed between both parties that Mr J wasn't responsible for the transactions he reported to them. So, for the purposes of this complaint they are considered unauthorised, and Mr J is due a refund for them.

Onmo eventually accepted this and have stated they (twice) made refunds for them. One in July (backdated to April) and one in November. Whilst I think that Onmo could have dealt with the issue much sooner, they accepted the need for a refund.

I've had some difficulty establishing the actual amounts and that's because there are different disputed transactions contained within Onmo's records (see above table). One set of transactions taken from a copy of a statement amounts to £119.19 and another set of transactions shows the total to be £85.33. I've had similar difficulties establishing if the two refunds applied by separate merchants to Mr J's account have been included in the balance of his statements. These total £45.00 and it's still unclear to me if Onmo have reduced Mr J's balance to take them into account. The statement provided by Mr J appears to show they weren't taken off the running balance.

I appreciate Onmo have sent a small section of their ledger, but the supplied documents don't (so far) establish what has happened on the account from the date of the disputed transactions to the current date. It's relevant here for Onmo to provide a clear transaction history showing they've applied the refunds/removed any charges or interest and applied the additional refunds for £45.00 to Mr J's account.

I understand their position about making two sets of payments, but because their calculations are slightly different to some of those detailed here, this is an outstanding area that Onmo will need to clarify.

Mr J wanted about £350 for his time and expenses when contacting Onmo. We don't generally calculate someone's time in this way, and I don't think it would be fair or reasonable to expect Onmo to pay what Mr J has asked for. Onmo have said that they'll pay his expense for the calls, and I think this was a reasonable offer from them. So, if Mr J can provide information concerning the cost of calls, then this can form part of the final resolution to his complaint.

Regarding the redress for the impact the way that Onmo have dealt with Mr J's complaint, I think their handling of the situation left something to be desired. I understand they have a small team and a lot of work on. But, whilst I appreciate their difficulties, this isn't something that should affect Mr J's original dispute and then his complaint. It's the case that the delays in dealing with his original issue and the ongoing problems establishing what exactly has or hasn't been accounted for have continued to impact Mr J unnecessarily.

This issue has been going on for about a year now and there are a number of delays, mainly caused by Onmo's lack of response, so I think they should recognise this with a payment for the impact this had on Mr J. I'm currently intending to recommend that they pay Mr J £200 for the stress and inconvenience caused to him.

Onmo have argued that their overpayment of the disputed transactions amounted to additional compensation, but I'm afraid I disagree here. Onmo's apparent difficulty's accounting for the various transactions isn't a matter for Mr J and their decision not to ask for it back is their own. I don't think it's fair to expect Mr J to accept Onmo's accounting oversight as a replacement for redress, particularly given that it's unclear if all the refunds have been applied to his account.

So, I don't intend to include any overpayments that Onmo may have paid as part of the redress calculation. Additionally, Onmo should ensure (if they haven't already done so) that their reporting to the CRAs is accurate.

Given the outstanding questions concerning what has been applied (or not) to Mr J's accounts, I'm currently intending to recommend that Onmo:

- Provide a clear set of statements listing the accurate transactions/ refunds/ charges/ fees applied to Mr J's account from April 2023 to date.*
- Apply the two refunds to his account totalling £45 unless they can show this has already been done.*
- Apply any further adjustments (including charges/fees/interest) to Mr J's accounts concerning the disputed transactions unless Onmo can show they've already done so.*
- Pay Mr J £200 in total for the redress (taking into account any payments already made).*

- *Pay expenses incurred for the phone calls if Mr J can provide evidence of such.*
- *Confirm that CRA reporting accurately reflects the final position of Mr J's account.*

I'd like to make it clear to Onmo that it's their responsibility to produce accurate records that Mr J can understand and that can be relied upon to calculate the appropriate refunds (if necessary).

I invited Mr J and Onmo to give me any more evidence and information they wanted me to consider before issuing my final decision. Mr J accepted the provisional decision but was concerned because he wasn't able to provide the costs of his phone calls. Onmo, in their response said:

"...we agree with the provisional decision and have no further comments to make. We will take the necessary action upon receiving closure of the case with the ombudsman service."

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, and as neither party had anything further to add, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision. I also wanted to make some clarifying comments concerning the final decision.

Onmo have committed to taking the necessary action once the decision is finalised. So, whilst I accept they're commitment, I wanted to make it clear that they're required to accurately set out the position regarding Mr J's account and make those refunds as necessary.

I also want to clarify that I don't consider any of the funds retained by Mr J that resulted from any earlier overpayments are to be used when calculating the redress payment Onmo need to make. As I haven't been provided any information since issuing the provisional decision, then Onmo are expected to pay £200 redress to Mr J. Of course, if there was an interim payment (which hasn't been notified to our service), then this should be taken into account when settling the final amount.

I understand Mr J can't produce the details of his calls to Onmo. Without that information it's difficult for me to make any finding about additional costs incurred by Mr J. Because this relates to specific costs (and not compensation), I don't feel it's appropriate to give any direction to pay additional expenses when that information isn't available to base a finding on. So, I won't be asking Onmo to pay anything towards phone costs. I appreciate Mr J will be frustrated by this, but hope he understands that without the necessary information it wouldn't be fair or reasonable to do so.

My final decision

My final decision is that I uphold this complaint against ONMO Limited and in order to settle this complaint, they're now required to:

- Provide a clear set of statements listing the accurate transactions/ refunds/ charges/ fees applied to Mr J's account from April 2023 to date.

- Apply the two refunds to his account totalling £45 unless they can show this has already been done.
- Apply any further adjustments (including charges/fees/interest) to Mr J's accounts concerning the disputed transactions unless Onmo can show they've already done so.
- Pay Mr J £200 in total for the redress (taking into account any payments already made). Onmo must pay the compensation within 28 days of the date on which we tell it Mr J accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple
- Confirm that CRA reporting accurately reflects the final position of Mr J's account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 2 July 2024.

David Perry
Ombudsman