

The complaint

Mr D complains that JAJA Finance LTD trading as AA Credit Card did not respond to the letters he sent them.

What happened

Mr D says that he wrote to JAJA asking for a change in his payment date, but he got no reply. He says his account was frozen, but he continued to make payments. Mr D says that he was unable to log into his account, so he could not get his statements. Mr D says he wrote to JAJA on 14 September to complain that he's unable to access his account as the application (app) states he can't link his card, and it's not possible to log into the app. He says he requested contact by post or email, but the only letter he received from them is that he's paying a small amount off the balance each month.

JAJA partially upheld Mr D's complaint. They said they'd searched their records and had been unable to locate any letters pertaining to the amendment of his monthly payment date. JAJA said they sent Mr D an email on 31 January 2024, and they asked him what date he would like his payment due date to be amended to, but they did not receive a response. JAJA said they reviewed Mr D's account, and they couldn't see any obvious errors which would prevent him from being able to log in to the app or the website.

JAJA said they performed a reset to Mr D's online profile which they hoped would resolve his access issues, and they said if this still does not resolve his issues, then he should contact them via email response, so they could investigate this further for him. JAJA amended Mr D's account to ensure he received paper statements as well as e-statements. They credited Mr D's account with £30 due to the app issues he had. Mr D brought his complaint to our service.

Our investigator upheld Mr D's complaint. He said he couldn't see that the letter Mr D sent to JAJA had been acted upon, so the issues Mr D was facing in accessing his account were left unresolved. Had appropriate action been taken at the time, he thought it would be reasonable to assume that the actions that were later taken to restore Mr D's access and to provide him with written statements would've been taken far sooner, so Mr D would've been able to change his payment date around the same time. JAJA asked for an ombudsman to review the complaint.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

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

I've reviewed JAJA's system notes from 2021 to late January 2024 to see what correspondence they received from Mr D. The first piece of correspondence they received from Mr D appears to have been in September 2023. The note states that Mr D has been trying to contact them for months (although JAJA don't seem to have received any previous letters he sent them), he isn't able to access the app and he wants to be contacted via email.

At the end of Mr D's letter it says "Failure to establish contact via post or email will result in" a Financial Conduct Authority (FCA) complaint. The note shows JAJA sent Mr D a "COL001" as he didn't want to be contacted via the phone.

I asked JAJA about the "COL001". They have forwarded me a copy of this. JAJA have not forwarded me an email that they sent Mr D with this letter, instead it displays Mr D's registered postal address. The letter shows "We've been trying to get in touch with you about your AA Credit Card account" and "Unfortunately, we've not been able to reach you and are unsure whether we have the right contact information for you. We need to speak to you to check our records are up to date."

But the letter JAJA sent Mr D had no link to the letter Mr D sent them in September 2023. I've seen no reason why they wouldn't think that they had the correct information for Mr D. He had told them he doesn't get a written statement, he can't log into his app, his account was locked, he didn't know what his minimum payment should be, and he keeps paying £144 a month.

So while it may appear to JAJA that at this stage Mr D wasn't making a complaint, he wanted contact preferably by email (as he had asked them to contact him via email earlier in his letter). But he also mentioned by post or email at the end of the letter. JAJA responded with the letter to contact them by phone. But based on the letter Mr D sent JAJA, I do think they could have either personalised the letter to respond to his points, and at the very least activate paper statements for him when he was clear he couldn't access the app/log into his account, and he didn't know what his balance/minimum payments were. So I do think that JAJA let Mr D down here.

I can see that JAJA acknowledged Mr D's complaint on 29 January 2024 by email. Although Mr D has said JAJA's emails are from no reply email addresses, I can see that he did respond to JAJA's email. He emailed them on 30 January 2024, and he said "Please freeze my account along with any interest and (charges) whilst this is investigated".

JAJA responded to Mr D and told him "Unfortunately, we are unable to freeze interest charges in this department while the complaint is investigated". They said "If you would like to discuss a payment arrangement and the possible freeze of any interest charges you will need to speak with our Debt Management Department" and they gave him the telephone number for them. On this reply they also told him his balance, and they asked him how he made the request to change the repayment date.

Mr D responded and he told JAJA "I will not be making payments until the FCA has investigated as you may well be in breach of the CCA (Consumer Credit Act)". He also asked for the freeze request to be forwarded to the correct department.

JAJA told Mr D that the relevant department "may be unable to freeze any interest or charges until they have spoken with you on the phone". On the same response JAJA asked Mr D "could you advise when you would like your minimum payment date to be amended to please?" they said "regarding a breach of the CCA, could you be more specific regarding this potential breach so I can investigate this?" and "I have amended your account so that you will now receive paper statements as well as e-statements, while we attempt to fix your issue with the online services. Could you provide a bit more detail regarding the issues you have been facing so we can look to resolve this please?" but I can't see that Mr D responded to JAJA on these points. If Mr D is still experiencing app issues, he may want to email the person who had emailed him about this for them to carry out further investigations into this.

JAJA mentioned this in their final response to Mr D when they told him “On the email I sent you on 31 January 2024, I asked what date you would like your payment due date to be amended to and I did not receive a response. If you would still like your payment due date to be amended, please advise the date you would like it to be amended to by email response and I can ensure this is changed for you.”

Mr D’s statements show he had been making at least the minimum payment up until his February 2024 statement. So I can’t fairly say that JAJA’s initial lack of a personalised response to him in the September 2023 letter resulted in him incurring fees. JAJA are not obliged to simply stop interest or charges just because a customer has asked them to when investigating a complaint. JAJA had told Mr D he would need to ring their debt management department, but Mr D didn’t do this. And Mr D took the decision to stop his payments – JAJA did not at any point tell him to do this.

So I’m unable to ask JAJA to refund the interest charged to Mr D as it appears this was charged correctly. And as Mr D did not make any repayments to his account between 2 January 2024 and his last statement I’ve viewed with a statement date of 24 April 2024, then it is not proportionate for me to ask JAJA to remove any late payment fees or late/missed payments they’ve reported to the Credit Reference Agencies (CRA’s). JAJA have an obligation to report accurate information to the CRA’s and asking them to remove this data would result in inaccurate data being reported.

So I’ve considered what would be a fair outcome for this complaint. Mr D’s statements don’t show any late payment fees between September 2023 when he sent the letter and January 2024 when JAJA emailed him and asked him to ring their debt management department. So there would be no fees for JAJA to refund during this period. As Mr D made no payments at all resulting in late/missed payment fees for February-April 2024, then it would not be proportionate to ask them to remove these fees or any information they have reported to the CRA’s regarding the missed payments.

JAJA did credit Mr D’s account with £30 for the app issues. But as they received Mr D’s letter in September 2023, and they sent him a generic letter to contact them by phone, when Mr D had expressed he wanted a response by email to his questions, or at the very least by a letter, then I’m persuaded they could have done more to assist Mr D given that he clearly told them about the issues with the app and they didn’t activate paper statements until months later. So I do think they could have assisted Mr D months earlier, in the way they did so in January 2024 when they activated paper statements and reset his app access.

So I’m not persuaded the £30 is proportionate for what happened here, as Mr D was caused distress about the lack of response to his specific problems he told JAJA about. I’m satisfied that £100 is a more proportionate compensation figure. So I intend to ask JAJA to pay Mr D an extra £70 to total £100 compensation.”

I invited both parties to let me have any further submissions before I reached a final decision. JAJA did not respond to the provisional decision. Mr D responded to the provisional decision. He said he didn’t think the lack of any sort of statement, or support since 2022 had been fully addressed, as he’s been unable to log into the app. He said he stopped making repayments as he did not know what to pay so he thought it was reasonable to ask them to freeze the account until the investigation concludes, and they advise what that payment should be.

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've considered what Mr D has said about the lack of statement/support since 2022. But as I said in the provisional decision "*I've reviewed JAJA's system notes from 2021 to late January 2024 to see what correspondence they received from Mr D. The first piece of correspondence they received from Mr D appears to have been in September 2023.*" So I'm not persuaded that JAJA were aware of the issues since 2022, but they should have been aware of the issue when they received his September 2023 letter.

I've considered what Mr D has said about why he stopped making repayments, and him asking JAJA to freeze the account until the investigation concludes. But as I said in the provisional decision "*JAJA are not obliged to simply stop interest or charges just because a customer has asked them to when investigating a complaint. JAJA had told Mr D he would need to ring their debt management department, but Mr D didn't do this. And Mr D took the decision to stop his payments – JAJA did not at any point tell him to do this.*"

In summary, Mr D's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Mr D is disappointed, I hope he understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask JAJA FINANCE LTD trading as AA Credit Card to pay Mr D an extra £70 to total £100 compensation for distress. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. JAJA FINANCE LTD trading as AA Credit Card should pay Mr D an extra £70 to total £100 compensation for distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 July 2024.

Gregory Sloanes
Ombudsman