

The complaint

Mr M is unhappy that Tandem Personal Loan Ltd sent him notifications saying that he was in arrears on his loan when that wasn't the case.

What happened

Mr M has a personal loan with Tandem to which he makes manual payments every month. Mr M's loan payments are due on the last day of each month, meaning that his February 2024 payment was due on 29 February. But Mr M didn't make the required payment towards his loan by 29 February, which meant that Tandem sent notifications to Mr M informing he that he was in arrears on his loan agreement.

Mr M made his February loan payment to tandem a few days late, on 3 March. But despite bringing the loan up to date, Mr M continued to receive notifications from Tandem advising him that his loan was in arrears – although these notifications confirmed the amount of the arrears to be £0.00. Mr M wasn't happy that he was receiving these notifications, so he raised a complaint with Tandem.

Tandem responded to Mr M and apologised for what had happened. Tandem confirmed that they had removed the arrears marker from Mr M's account that had incorrectly remained following Mr M's 3 March payment. And Tandem also paid £50 to Mr M as compensation for any trouble or upset the incorrect arrears notifications may have caused him. Mr M wasn't satisfied with Tandem's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the response Tandem had issued to Mr M, including the apology and payment of £50 compensation, already represented a fair resolution to what had happened. Mr M didn't agree with the opinion of our investigator, so the matter was escalated to an ombudsman for a final 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.

Where a business has made a mistake – as Tandem accept that they did here by sending arrears notifications to Mr M in error – this service generally expects the business in question to have done two things. The first is to have taken the actions necessary to have returned their affected customer to the position they should be in, had the mistake never occurred. And the second is to consider whether the impact of their mistake on the customer is such that any form of compensation for that customer is fairly and reasonably merited.

Tandem say that they have taken the corrective action to return Mr M to the position he should be in here, because they removed the incorrect arrears marker from Mr M's account. And Tandem note that Mr M hasn't received any incorrect arrears notifications from them following that corrective action.

Tandem also note that they apologised to Mr M and paid £50 compensation to him in

consideration of any upset or inconvenience he may have incurred. Tandem feel that this £50 compensation amount is fair and reasonable in the context of what happened here. But Mr M doesn't agree and feels that a larger compensation amount should be merited here.

Upon consideration of this complaint, I feel that the £50 compensation that Tandem have already paid to Mr M is a fair compensation amount, and so I won't be instructing Tandem to make any further payment to Mr M as he would like.

In taking this position, I've considered the impact of what happened here on Mr M, which was that he received some arrears notifications which he knew to be incorrect (because he'd paid the monthly payment) and which said that his arrears amount was £0.00. And I've also considered that Mr M was inconvenienced by having to contact Tandem by telephone to let them know that he was receiving the notifications in error, and that once Mr M had informed Tandem about their error, that Tandem removed the incorrect arrears marker from his account shortly thereafter, thereby resolving the issue.

Matters of compensation can be subjective, and I appreciate that Mr M may disagree with my position. But the impact of what happened here on Mr M doesn't feel particularly significant to me but rather constitutes what I feel was a relatively minor amount of worry and trouble for Mr M.

That isn't to say that no form of compensation for Mr M should be merited here. But I've considered the impact of what happened to Mr M in conjunction with the general framework that this service uses when assessing compensation amounts, details of which are available on this service's website. And, having done so, I feel that the £50 that Tandem have already paid to Mr M is a fair compensation amount, and that nothing further is fairly merited here.

I realise this won't be the outcome Mr M was wanting, but it follows from all the above that I won't be upholding this complaint or instructing Tandem to take any further or alternative action. This is because I feel the actions that Tandem have already taken, including the payment of £50 compensation, already provides a fair outcome to what happened. I hope that Mr M will understand, given what I've explained, why I've made the final decision I have.

My final decision

My final decision is that I do not uphold this complaint.

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

Paul Cooper
Ombudsman