

The complaint

Miss B has complained that Western Circle Ltd trading as Cashfloat (“Cashfloat”) provided a scripted and impersonal service when she told them about her change in circumstances and requested support in repaying her loan.

What happened

This complaint stems from a £500, six-month instalment loan Cashfloat granted to Miss B on 30 July 2023. Miss B made the first three contracted payments of £142.50 as expected.

I’ve set out below, the key dates and communications between both parties to set out what each party knew at what time. On 12 November 2023 Miss B let Cashfloat know that she had been made redundant at the beginning of October 2023 and she asked for a refund of her October 2023 payment, and she requested to be contacted in writing only.

Cashfloat responded the following day, explaining it doesn’t offer repayment holidays on the type of loan granted to Miss B but it would place the account on hold for a period of 30 days. It then requested Miss B’s bank details in order to return the payment as she had requested. Miss B responded promptly, and on 13 November 2023, Cashfloat confirmed the refund would be made within 4 days.

There was then no further contact until 29 December 2023, when Cashfloat emailed Miss B to let her know that it had posted an arrears letter because her account was now two months in arrears.

After receipt of the emails and arrears notice, Cashfloat says Miss B told it on 5 January 2024 that her circumstances hadn’t materially changed – although a copy of this email hasn’t been provided.

On 13 January 2024, Miss B emailed Cashfloat to say her partner had been paying the priority bills and she asked for more information about what would be the minimal repayment amount needed to set up a repayment plan.

When no response was received, Miss B emailed Cashfloat again on 16 January 2024 and this email again asked Cashfloat questions around how these arrears and or a repayment plan would be reported to the credit reference agencies. Finally, she provided an update on her health including medication she was taking.

No response was received, so Miss B emailed Cashfloat again on 18 January 2024 asking for help and outlining what other creditors had already done to assist her. On the same day, Cashfloat confirmed a further hold would be placed on the account until 15 March 2024 and it also signposted Miss B to an external debt advice organisation.

Unhappy with the way that Miss B had been treated and the lack of communication from Cashfloat she raised a complaint on 18 January 2024. This complaint was acknowledged on the same day but Cashfloat had spelt Miss B’s name incorrectly and also used her wrong title.

Cashfloat provided its final response letter on this matter on 29 January 2024. It provided an overview of the events up until January 2024, it also explained the account was on hold, and while the hold was in place, Miss B wouldn't be contacted further about the loan balance.

But Cashfloat accepted “*...it would appear that our high level of customer service has not been maintained on this occasion.*” It said to assist Miss B once a payment plan was put in place, then it would contact the credit reference agencies to remove the missed payment markers from November and December 2023.

Miss B provided an update to Cashfloat that she was due to start employment and said her payments ought to be able to return to normal from the end of March 2024. Miss B then referred the complaint to the Financial Ombudsman.

An investigator then considered the complaint, and she didn't uphold it and they explained Cashfloat needed to treat Miss B fairly and reasonably, and in the circumstances, she thought Cashfloat had offered reasonable solutions and options. She acknowledged Cashfloat's response wasn't as detailed as Miss B may have wanted but nonetheless, she didn't think it had a material impact on the complaint or the resolution of her problems.

Miss B didn't agree with the assessment and asked for an ombudsman to review the complaint. As no agreement could be reached, then the complaint has been passed to me to decide.

After the complaint was being prepared to be considered by an ombudsman, Miss B sent further information on 25 August 2024, which outlined a further change in her household's financial position and Miss B had now requested a refund of all payments she had made to Cashfloat and then for it to write off any outstanding balance.

Further emails were then forwarded to the Financial Ombudsman by Miss B which showed Cashfloat had offered a £1 per month repayment plan to be paid until November 2024 and then Miss M's response to Cashfloat's offer.

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 am sorry to hear about the further recent change in Miss B's household financial position and this will of course have an impact on any action that Cashfloat may or may not make moving forward. However, this element of the complaint hasn't been investigated or as far as I can see considered by either Cashfloat or the Financial Ombudsman.

As such, it wouldn't be fair of me on either party to make a legally binding decision on this matter, when no investigation or findings have been communicated especially because Miss B has now requested the outstanding balance be written off.

I appreciate Miss B may feel this is a continuation of the same issue, but there does appear to have been a significant material change to the household position, and it's only fair that if she's unhappy with how Cashfloat deals with this matter then it's afforded the opportunity – under the complaint handling rules to investigate and if needed to put things right.

Therefore, this decision will only focus and deal with the events that led up to the final response letter being issued by Cashfloat in January 2024. If Miss B is unhappy with the way

Cashfloat deals with the latest change in circumstances moving forward she will need to contact Cashfloat with regards to this.

As the investigator pointed out in her view, once Miss B was in arrears with her loan account Cashfloat had an obligation to treat her fairly and with forbearance – and the types of help and support it may offer can be found in the Consumer Credit Sourcebook Chapter 7.

The first time Cashfloat was made aware of a change in circumstances was in November 2023. At which point, it fairly offered to place the account on hold for 30 days and it also refunded the October 2023 payment to Miss B. Given what Cashfloat knew of Miss B's circumstance, I'm satisfied that at this point, it had treated her fairly.

There doesn't appear to have been any further contact until Cashfloat (after the hold had expired) contacted Miss B at the end of December 2023 – where it let Miss B know she was in arrears and had sent the required notices. Again, I don't think an error had been made here because Cashfloat needed to let Miss B know what the current position of her loan account was. But, Cashfloat did have a requirement to react to any new information that it may have been given about Miss B's circumstances.

Miss B was in communication with Cashfloat and as far as I can tell provided an assessment of her position and she was clearly concerned by the impact of not making payments (and what payment she may need to make) to prevent a default from being added to her credit file. She also explained, not unreasonably, why she preferred contact through letter or email.

I do think Cashfloat ought to have done more in relation to this. Miss B was clearly concerned about the position of the account and the impact on her credit file and she was being proactive in keeping it up to date through January 2024, but the first response she received was on 18 January 2024. And while I do think at this time it was fair for Cashfloat to extend the hold on the account and it hadn't provided any reassurances for Miss B around the implication on her credit file – despite her asking on a number of occasions.

Following Miss B's complaint Cashfloat then used the wrong title and spelt her name incorrectly. So, I can quite understand why Miss B feels that she hasn't been listened to and she's received an impersonal service from Cashfloat.

So, I do think Cashfloat missed an opportunity to do more to reassure Miss B about the repayment plan and deal with her questions about the credit file in a timelier manner. And this did, based on the contents of the emails provided by Miss B cause some distress and inconvenience. But given, how quickly Cashfloat put another freeze on the account and the resolution offered in the final response - which I come on to below. I don't think the distress caused to Miss B warrants a further award or payment of compensation.

Cashfloat accepted in the final response letter – as quoted earlier on in the decision that there were failings. As part of the resolution to the complaint it offered to keep the hold in place, work with Miss B to agree an affordable repayment plan – and then once a plan was agreed it would remove the missed payment markers from November and December 2023 from her credit file.

In my view, the resolution that it proposed in the final response letter was fair and reasonable and continued to take account of the information Miss B had provided Cashfloat about her personal circumstances. Indeed, I can see that a payment plan was put in place for £20 per month and was this was paid in May, June and July 2024.

Overall, I consider that Cashfloat treated Miss B fairly and with forbearance in the actions that it took, but as it accepts, it could've done more. For the reasons given above, I am not

recommending that Cashfloat make any further award to her in relation to the matters leading up to the January 2024 final response letter.

I therefore do not uphold Miss B's complaint and I don't require Cashfloat to make any further award to Miss B.

My final decision

For the reasons I've outlined above, I am not upholding Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 4 October 2024.

Robert Walker
Ombudsman