

The complaint

Mrs W complains that Lendable Ltd has not credited her loan account with compensation it promised to her.

What happened

I issued a provisional decision about this complaint on 23 September 2024. I set out the background to this complaint as follows:

“On 9 September 2019, Mrs W took out a 12 month loan agreement with Lendable. The loan was repaid in full by June 2021.

*On 9 January 2024, Lendable emailed Mrs W to say it would credit her bank account ending *62 with £362.42. Lendable said this included £262.42 compensation for the amount Mrs W repaid towards a repayment plan for her loan account, which may have been unsuitable. Lendable said the additional £100 was compensation for any distress and inconvenience it had caused.*

*Mrs W responded on the same day to ask that the payment be made to an account ending *6072. Lendable asked Mrs W for a recent account statement to verify the account. Mrs W instead asked Lendable to send the payment to the account details it already held for her.*

*Unfortunately, Lendable then tried to send the money to the account ending *6072. On 15 January 2024, Mrs W told Lendable she hadn't received the payment to her account ending *62. On 30 January 2024, Mrs W told Lendable the account number she had given it (ending *6072) was wrong. Lendable checked its records and said it hadn't been able to fully verify the account's details but some of Mrs W's personal information matched the details of the holder of the account it had sent the money to. Lendable tried to recall the payment but could only recover a small amount.*

*Lendable said it would not reissue the payment to Mrs W as it was paid to a bank account which matched some of her personal information. To apologise for any inconvenience caused, Lendable said it would transfer £50 compensation to Mrs W's account ending *62.*

Unhappy with Lendable's response, Mrs W referred her complaint to our Service. Lendable told our Service it thought there may be an association with Mrs W and the account holder. Lendable said it had tried to contact Mrs W by telephone but had not been successful. Lendable wanted to speak to Mrs W by telephone to determine whether it was appropriate to reissue the payment to her.

One of our Investigators reviewed Mrs W's complaint and thought Lendable's request to speak to Mrs W by telephone before paying £362.42 to her account was reasonable. Mrs W didn't agree, saying she has been trying to sort this with Lendable for months. Mrs W said Lendable had been unprofessional and she was happy to discuss the payment with Lendable via email, so their interactions are documented.”

I then explained my provisional decision:

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

*My role here is to decide whether an error occurred. Here, Lendable was supposed to send a credit for £362.42 to Mrs W’s account ending *62. Lendable itself said it wouldn’t send it to the account ending *6072 until Mrs W provided account statements to verify it was her account. Mrs W couldn’t do this, so she told Lendable to send the credit to her account ending *62. Despite this, Lendable sent the credit to the unverified account ending *6072.*

So, it’s clear Lendable sent the credit to the wrong account – and this is something its also accepted. Its own checks have confirmed the holder of the account it sent the money to is not Mrs W. Its investigations suggest the account holder may have a connection to Mrs W. But there is no way to prove Mrs W received all or some of the funds even if she spoke to them on the telephone. In any event, Lendable made an error in sending £362.42 to an account that did not belong to Mrs W.

*My role here is to put Mrs W in the position she would have been in had the error not occurred, and the £362.42 been paid into her account ending *62 on 9 January 2024. So, Lendable should:*

- *Pay £362.42 to Mrs W’s account ending *62.*
- *Pay interest on the above amount at 8% simple per annum from 9 January 2024 until the date of settlement. HM Revenue & Customs may require Lendable to take off tax from this interest. If it does, Lendable must give Mrs W a certificate showing how much tax it’s taken off if she asks for one.*

Sorting out this matter has caused Mrs W time and effort – it is over nine months since the payment should have been made. I think Lendable should pay Mrs W an additional £100 compensation to recognise the distress and inconvenience caused by the delay in receiving the above payment, bringing the total payable to £150.

*If, for any reason, Mrs W requires the payment to be made to an account other than her account ending *62, it would be reasonable for Lendable to ask her to provide account statements to verify the new account. I can see no reason why this cannot be done by email.”*

Both parties accepted my provisional 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.

As both parties accepted my provisional decision, I see no reason to depart from the findings set out above.

For the sake of completeness, my decision is that Lendable should:

- Pay £362.42 to Mrs W’s account ending *62.
- Pay interest on the above amount at 8% simple per annum from 9 January 2024 until the date of settlement. HM Revenue & Customs may require Lendable to take off tax from this interest. If it does, Lendable must give Mrs W a certificate showing how much tax it’s taken off if she asks for one.

Sorting out this matter has caused Mrs W time and effort – it is over nine months since the

payment should have been made. I think Lendable should pay Mrs W an additional £100 compensation to recognise the distress and inconvenience caused by the delay in receiving the above payment, bringing the total payable to £150.

My final decision

For the reasons explained above, I uphold this complaint and require Lendable Ltd to put things right by doing what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 5 November 2024.

Victoria Blackwood
Ombudsman