

The complaint

Miss B is complaining about ZILCH TECHNOLOGY LIMITED because she's unhappy with its response to her request for assistance with her account.

What happened

Miss B has a credit card account with ZILCH. Unfortunately, she lost her job in 2023 and contacted ZILCH for assistance with her payments.

Miss B initially emailed ZILCH on 12 November 2023 saying she'd lost her job and requesting a payment holiday. She chased this on 15 and 16 November after no response was received. She also tried to engage with ZILCH using its online chat function on 18 November, but the agent closed the chat in error. She then sent a number of further emails.

ZILCH set up a complaint on 24 November but doesn't appear to have contacted Miss B to discuss her situation despite her sending a number of further chaser emails in December.

ZILCH issued its final response to Miss B's complaint on 3 January 2024 and apologised for its service failings. It has said it paid Miss B £100 compensation for her distress and inconvenience but I haven't been able to find evidence of this on the file.

Shortly after this, a payment holiday was agreed on 18 January and lasted for a month. After the payment holiday ended, ZILCH says it has tried to contact Miss B to arrange a repayment plan for the outstanding balance on her account but hasn't received a response.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I believed it should be upheld. My reasons were as follows:

ZILCH has already accepted its response to Miss B's enquiries and the general service she received wasn't up to the standard she was entitled to expect. The issue I need to consider is how it should put things right.

First, if ZILCH had responded promptly to Miss B's request for a payment holiday on 12 November, I've no reason to think this wouldn't have been agreed as her situation doesn't appear to have changed between then and February.

After a payment holiday has been granted for a month, ZILCH says its practice is not to grant another but instead to try and agree an affordable repayment plan with the customer. Assuming a payment holiday had been approved in response to Miss B's request on 12 November, this position would have been reached much earlier, by 12 December.

So to put things right, I currently think ZILCH needs to amend Miss B's account to the position it would now be in if a payment holiday had been granted to 12 December. It should also amend her credit file to ensure it reflects this accurately.

Moving forward, ZILCH needs to contact Miss B to try and arrange an affordable repayment plan. When doing so, it's required to treat her positively and sympathetically, particularly as it doesn't appear her situation has improved. She's told us that she's still not working and has provided evidence showing she's reliant on universal credit. She's also told us her partner is also now out of work.

Finally, I believe the failure to respond to Miss B's request for assistance would have caused her a degree of unnecessary distress and inconvenience, particularly as it came at a time when she'd just lost her job and was facing some financial difficulty. The amount to award for a consumer's distress and inconvenience can be difficult to assess as the same set of circumstances can affect people in different ways. But on balance, I don't think the compensation of £100 ZILCH has said was paid is sufficient. Instead I think the amount of £200 is fair and reasonable in the circumstances.

It's for these reasons that I'm currently proposing to uphold Miss B's complaint.

The responses to my provisional decision

Miss B accepted my provisional decision. ZILCH made no further comment.

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 neither party has made any further submissions in response to my provisional decision, my findings haven't changed from those I set out previously.

Putting things right

To summarise, ZILCH should take the following steps to put things right:

- adjust Miss B's account to the position it would now be in if it had approved a payment holiday for one month on 12 November 2023;
- amend her credit file properly to reflect this position;
- arrange an affordable repayment plan with Miss B; and
- pay compensation totalling £200. If it did pay compensation of £100 previously, it would only need to pay a further £100 now.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I uphold this complaint. Subject to Miss B's acceptance, ZILCH TECHNOLOGY LIMITED should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 2 December 2024.

James Biles
Ombudsman