

## **The complaint**

Mrs A complains Zopa Bank Limited have unfairly defaulted her loan account.

## **What happened**

I understand Mrs A took out a loan for £15,000 on 20 September 2022, and her monthly repayment was listed as £552.74 over 36 months on her credit agreement. In April 2024, Mrs A unfortunately got into difficulties having become unemployed, and wasn't able to make her contractual monthly repayment – so she set up a payment plan.

Mrs A says she called Zopa and in the initial call was told she could set up a plan for three months, and then she could call in again to have a second plan for three months. When she called on 24 July 2024 towards the end of the first three months, she was told she couldn't set up a plan and wasn't told she had to call back within a certain time to get a new plan set up. But she says she was never told her account would be defaulted if she didn't call back by that time.

Zopa said Mrs A called on 24 July 2024, and discussed setting up a new plan. But, because the existing plan wasn't due to end until 27 July 2024, she was told to call back a few days after that – 29 July 2024. But Mrs A didn't call – Zopa said they tried to call Mrs A on multiple occasions – 1, 2, 5, 6 and 7 August. And as no contact could be established, a Notice of Default was sent to her on 7 August 2024. Zopa said to prevent the account from defaulting, Mrs A needed to reduce the arrears by £381.09, continue with her payments, and set up a new payment plan. Overall, Zopa didn't think they'd done anything wrong.

Unhappy with this Mrs A asked us to look into things, saying she'd like the default Zopa have since applied removed, and for the option of a payment plan.

One of our Investigators considered things, but didn't think Zopa had done anything wrong, so she didn't uphold the complaint. Our Investigator also found Zopa had emailed Mrs A on 31 July 2024 to say her payment plan had ended, and if a new one wasn't set up then her account might be defaulted.

Mrs A didn't accept the outcome from our Investigator. In summary, she said:

- Zopa didn't leave any voicemails, nor did they follow up with emails, so she didn't know Zopa were trying to contact her or that urgent action was required
- It was her understanding she had until 25 August, the usual payment cycle, to request a new payment plan – she was never told when she called she'd lose the opportunity of a new payment plan if she didn't call back when she was advised to
- At no point was she told by Zopa that failing to contact them by a specific date would mean a default is applied
- Zopa have since sold her loan without telling her, which she feels is unfair given her genuine attempts to resolve the matter in good faith

So, the complaint's been passed to me to decide.

## **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.

In order to uphold this complaint, I'd have to be satisfied that Zopa's communication with Mrs A is what's directly led to her not being able to set up a new payment plan. So, I've looked at what's happened.

In the call on 24 July 2024, which I've listened to, the agent is clear that Mrs A would need to contact them once the current plan finished. The agent explains that is due to happen on 27 July 2024, and says Mrs A must call back on 29 July 2024. The agent then explains if Mrs A misses payments, that can make it difficult for her to get credit in the future. The agent then reiterates Mrs A needs to call back when the current plan is finished which Mrs A acknowledges.

Following this call, Mrs A unfortunately doesn't contact Zopa as she's advised. She says that's because she understood she had until 25 August 2024 to set up a new payment plan. But, even just based off of this call, I can't see that Zopa told Mrs A that was the deadline. I've also seen nothing to suggest Mrs A had asked or agreed with Zopa this was the deadline. Zopa were clear it was 29 July 2024 in the call I've listened to.

After Mrs A didn't call, Zopa contacted her on multiple occasions – by email initially on 31 July 2024 where they said:

*We wanted to let you know that your loan...repayment plan ended on 27 July 2024. That means that you'll need to resume making your regularly contractual monthly payments. Right now, your outstanding balance stands at £0.00.*

### **What will happen next?**

*We hope that you'll be able to return to your original contractual payments and re-instate your Direct Debit. But if you can't do this for any reason, we can discuss your options, and we may be able to put a longer-term repayment plan in place. It may be necessary to default your loan, which will affect your credit rating and may make it more difficult for you to get credit in the future.*

Zopa also called Mrs A on five occasions during the first week of August 2024 – calls which went unanswered. Mrs A has said she was receiving a lot of marketing calls at the time, and because Zopa's agents didn't leave a message, she didn't know they were trying to get in touch with her.

I agree with Mrs A in part – I think Zopa's agents probably should have left messages for her – and that's something for them to think about in future situations. But, in Mrs A's case, I can't overlook she'd been advised to call Zopa back on 29 July 2024, and she'd received the above email.

In the circumstances, I think Zopa could have done better, but I'm satisfied they did enough to ensure Mrs A knew when she had to get back in touch.

I accept Zopa may not have made it clear on the phone that her account would be defaulted – but given Mrs A acknowledged she had to call back on 29 July 2024 I can see why the agent didn't. And, in any event, the email Mrs A was sent did tell her this.

All the indications from Zopa are if Mrs A had called back when she was asked to, then she'd have been able to put in place another plan. I realise she feels she was told when she

first put the plan in place she'd be able to do another one – and thinks it's unfair she wasn't – but I think events overtook the creation of a second informal plan. I think Zopa told Mrs A what she needed to do to get another plan in place and unfortunately she didn't do that. As such, I don't think Zopa have acted unfairly in how they've treated Mrs A.

Finally I've noted Mrs A's concerns about Zopa selling on the account. This isn't something our service has investigated, because it isn't something she raised as a complaint to Zopa – so our service can't consider it until Zopa have been allowed to.

But, in an effort to help Mrs A, I did want to explain to her it's fairly standard in lending contracts that a lender such as Zopa can sell the account to another party. While I make no comment on whether Zopa did this fairly or not, I wanted to let Mrs A know the general position – and let her know the terms and conditions of her loan say the following:

#### **8. Assignment of Loan Contracts**

- 1. The Lender may freely assign or transfer or otherwise dispose of his or her right, title and interest in the Loan Contract to any third party via our lending platform (or any trading exchange or in any other manner approved by Zopa for that purpose).*
- 2. Your rights and obligations under a Loan Contract that has been assigned or transferred shall not be adversely affected in any way whatsoever.*
- 3. You shall not be entitled to assign or transfer any Loan Contract to another person.*

Mrs A can raise a complaint about this specific issue to Zopa directly if she'd like to, and if she's unhappy with their response then she'd be entitled to refer it to us.

#### **My final decision**

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 26 March 2025.

Jon Pearce  
**Ombudsman**