

The complaint

Mr K is unhappy that Inclusive Finance Limited, trading as Creditspring, contacted him requesting payment when he was in a Mental Health Crisis Breathing Space arrangement.

What happened

Mr K had a credit facility with Creditspring and was in a Mental Health Crisis Breathing Space arrangement (hereafter referred to as 'breathing space'), a feature of which was that Creditspring should not have contacted Mr K about his account. However, in October 2024, Creditspring sent a series of emails to Mr K which stated that his breathing space had ended, and which asked him to act regarding the balance of his account.

One of the emails that Mr K received from Creditspring included an offer to accept a reduced payment of £150 to clear the full outstanding balance of his account, which at that time was close to £500. Mr K called Creditspring on the day that he received that email and accepted the £150 settlement offer.

Later that month, Mr K raised a complaint with Creditspring because he had learned that they had considered his breathing space to have ended incorrectly. Mr K was upset with the contact he had received from Creditspring, which had significantly adversely impacted his mental health.

Creditspring responded to Mr K and apologised for what had happened. They explained that a technical error had caused them to incorrectly mark Mr K's breathing space as having ended. By way of restitution, Creditspring refunded the £150 payment that Mr K had made back to him and waived the full outstanding balance of his account.

Mr K wasn't satisfied with Creditspring's response and felt that a significant payment of compensation was merited because of the impact on him of Creditspring's mistake. So, he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that the response that Creditspring had provided to Mr K, including the apology, explanation, reimbursement, and debt write off, already represented a fair outcome to what had happened. Mr K disagreed, and 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.

Having done so, I note that Mr K has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr K for these submissions, and I hope that he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr K notes that I haven't addressed a specific point that he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr K and Creditspring. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

I also note that Mr K has made several references to points of law and regulation in his submissions to this service. However, it must be confirmed that this service isn't a regulatory body or a Court of Law and doesn't operate as such.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

Creditspring have acknowledged that they made a mistake when they contacted Mr K and told him that his breathing space had come to an end. As such, when assessing this complaint, I don't have to decide whether I feel that Creditspring have acted unfairly, but instead I must decide whether I feel that the actions that Creditspring have already taken in response to Mr K's complaint provide a fair resolution to it.

Mr K has provided a detailed explanation of the significant impact that Creditspring's contact had on his mental health. I thank Mr K for his testimony in this regard, and I accept that he was adversely affected by what took place, especially in consideration of his mental health.

However, upon consideration, I feel the apology, the reimbursement of the £150 that Mr K had paid, and the write off of Mr K's full outstanding debt to Creditspring (which as previously stated, stood at approximately £500) does represent a fair resolution to this complaint. And I can confirm that the monetary value of Creditspring's debt write off is commensurate with what I might have instructed Creditspring to have paid to Mr K as compensation, if Creditspring hadn't taken those actions and if they still considered Mr K to owe the prior balance of his account to them.

Matters of compensation can be subjective, and I'm aware that Mr K feels that a much larger award of compensation should be merited in this instance. But in arriving at the position that I have, I've considered the impact of what happened on Mr K as he's described it to this service alongside the general framework that this service uses when assessing compensation amounts, details of which are available on this service's website.

Furthermore, I've also thought about whether there were any mitigating factors that should fairly be considered here. And, in this instance, I note that Mr K drew down the balance he owed to Creditspring after he had entered into a breathing space and so at a time when I feel that Mr K should reasonably have understood that he might not be able to repay that balance in line with the terms of his credit agreement. And, in this circumstance, I don't feel that it would be fair or reasonable to instruct Creditspring to pay any amount to Mr K above that which he had borrowed from them while in a breathing space.

All of which means that I won't be upholding this complaint or instructing Creditspring to take any further or alternative action here. This isn't to say that Mr K wasn't affected by what happened here, and as explained above, I readily accept that he was. But it is to say that I feel that the response that Creditspring have provided to Mr K's complaint already represents a fair outcome to it. And because of this, I don't feel that Creditspring should fairly be instructed to do anything more here.

I realise that this won't be the outcome that Mr K was wanting, but I hope that he'll understand, given what I've explained, why I've made the final decision that 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 K to accept or reject my decision before 7 May 2025.

Paul Cooper
Ombudsman