

The complaint

Mr R complains that Inclusive Finance Limited trading as Creditspring has said that his loan account is in arrears, when he doesn't think it was.

What happened

Mr R says that on 6 September 2024, he used an option provided by Creditspring to change his payment date to the 18th of each month, which he requested to start on 18 October 2024.

Mr R made the payment on 18 October 2024, however, he says he then received a notice of sums in arrears letter. He says he wasn't told when he changed his payment date that it would put his account in arrears. In addition to this, when Mr R got in touch with Creditspring, it told him that he was two payments behind, which he says isn't correct.

Mr R says this situation has caused him a lot of distress due to the worry about the impact to his credit file.

To put things right, Mr R would like £100 compensation for the error he says Creditspring made. And he would like confirmation that his credit file won't be impacted as a result.

Creditspring didn't uphold Mr R's complaint. It explained to him that when he changed his payment date on 6 September, to collect on the 18th each month, starting October 2024 – the payment due on 17 September and 17 October were made late. Which is why it sent him a notice of sums in arrears letter, letting him know he was two payments behind. It said it was required to do this in line with its regulatory obligations.

An Investigator considered the information it had available and found that the complaint should be upheld and Creditspring should pay Mr R £100. That's because the Investigator didn't think that Creditspring had provided Mr R with information about what might happen if he changed his payment due date – which ultimately led to Mr R receiving a notice of sums in arrears letter.

Mr R didn't think the amount the Investigator suggested was enough, given how long the matter had been going on for.

Creditspring didn't agree with the Investigator's view either. It said it hadn't done anything wrong, and it was required to send a notice of sums in arrears letter to Mr R because his account was behind on repayments in relation to the original terms. It explained that Mr R hadn't been financially impacted, and it hadn't impacted his credit file. So it didn't think the complaint should be upheld.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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 considered all of the evidence available to me, I have decided to uphold Mr R's complaint.

Mr R says that Creditspring's systems allowed him to change the payment date, but it didn't tell him this would put his account into arrears. Creditspring has sent very little information in relation to this complaint, and I've seen nothing to suggest that Mr R was in fact told that changing the payment date could put his account into arrears. So I can understand why Mr R would have been worried when he received the notice of sums in arrears letter, and I can understand why he would have been concerned about the impact this had to his credit file.

I can see that Creditspring explained to Mr R that "we are required by the FCA to send this notice to anyone whose repayment plan was changed", but I don't think this is quite accurate. Notice of sums in arrears is to notify a customer that they are behind with their repayments, not to highlight a change in payment date. That being said, I accept that when taking into account the original payment schedule, the change Mr R made to his payment date in September (to make repayments starting 18 October), would mean he was technically behind with his repayments. But in this case, I can understand why Mr R felt he hadn't missed any payments, because he had simply changed the date he wanted to make repayments going forward, which Creditspring's systems allowed him to do this.

Given that I haven't been provided with any evidence of what Mr R was told at the time about what might happen when he changed his payment due date, I'm persuaded by Mr R's testimony, in that it wasn't explained to him that his account would go into arrears if he made the change. So I will be upholding Mr R's complaint on this basis, for the distress caused to Mr R by the impact of the notice of sums in arrears letter.

It's seldom straightforward to decide on appropriate levels of compensation for non-financial losses. Not least because the impact on the consumer will be, by its very nature, subjective and difficult to quantify. In this case, I have considered the overall impact to Mr R. When deciding on fair compensation, I have taken Mr R's comments into account, together with our published approach to compensation for distress and inconvenience, which can be found on our website. Having done so, I'm satisfied that £100 is a fair way to compensate Mr R here. I say this because I'm satisfied that Mr R has suffered some distress as a result of the communication sent to him after he changed his payment date. But I'm also satisfied that Mr R hasn't been impacted in any other way, for example, he hasn't suffered any direct or indirect financial loss, and I can see from his credit report that Creditspring hasn't recorded any negative information on his credit file. I'm not persuaded that the impact goes further than the distress caused to him when he was concerned about the arrears letter and the concern to his credit file. So I won't be asking Creditspring to pay him any more than the £100 suggested by the Investigator.

In deciding on appropriate levels of compensation, I have also taken on board Creditspring's comments, in that Mr R hasn't suffered any financial impact, and his credit file also hasn't been impacted. I accept this is correct. But this doesn't mean that Mr R didn't suffer distress when he received the notice of sums in arrears letter, from his point of view, out of the blue. And I can understand why this would have been very concerning for him – especially given that he didn't think he had missed any payments.

Putting things right

Based on the limited information I have, I'm satisfied that Creditspring didn't provide Mr R with enough information about what might happen when he changed his payment due date,

which has in turn led to some levels of distress. Because of this, I order Creditspring to pay Mr R £100.

My final decision

For the reasons set out above, I uphold Mr R's complaint. I order Inclusive Finance Limited trading as Creditspring to put things right for Mr R by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 August 2025.

Sophie Wilkinson
Ombudsman