

The complaint

Mr M complains that Sainsbury's Bank Plc has not arranged an affordable repayment plan and continues to charge late fees.

What happened

Mr M says that, following a decision from the Financial Ombudsman Service that a loan was unaffordable, Sainsbury's should have agreed to an affordable repayment plan for the remaining capital. He says that it hasn't done that and continues to charge late fees. Mr M says this is causing him a lot of stress and he's even had to take out short-term loans to make the repayments.

Sainsbury's says it accepts it should have confirmed whether the contractual payments were affordable and says it will contact Mr M to do so. It says it's refunded the charges that it applied as a result of Mr M cancelling his direct debit and offered £150 in compensation. Subsequently, following further dissatisfaction from Mr M, Sainsbury's agreed to write off the remaining loan balance of £3,752.97 and update the credit reference agencies.

Mr M maintained that Sainsbury's never recognised the issues surrounding the application of further charges and wants an apology and compensation for the resulting sleepless nights and stress.

Our investigator did not recommend the complaint should be upheld. She found that Sainsbury's responded fairly and reasonably by refunding the charges and paying him £150 for the lack of contact regarding a repayment plan. She said the subsequent write-off of the loan represented significant additional compensation and therefore she did not consider Sainsbury's needed to do anything further.

Mr M responded to say, in summary, that Sainsbury's acknowledged the errors it had made, but then continued to make identical errors without any apologies and claiming to have done nothing wrong. He says the write-off of the loan should not be considered as compensation when it was only doing so in order not to have to deal with him going forwards.

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.

Whilst Sainsbury's has accepted that it should have been more proactive regarding contacting Mr M about a repayment plan, I need to consider whether what it has already done to compensate Mr M for that, and the additional issues surrounding ongoing charges and customer service, is sufficient.

I acknowledge that Mr M says the decision to write off the loan was not directly related to the issues about which he was complaining, but I need to make a finding on whether Sainsbury's has acted fairly and reasonably in all the circumstances.

In so doing, I have considered the level of awards this service would usually make in this area and I'm satisfied that by writing off the loan, in addition to the £150 payment, Sainsbury's has compensated Mr M at a level higher than this service would ordinarily recommend.

In summary, although I understand the points Mr M has made, I cannot agree that Sainsbury's needs to do anything further.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 August 2025.

Amanda Williams
Ombudsman