DRN-5666926

The complaint

Miss D complains that Inclusive Finance Limited trading as Creditspring ('Creditspring') didn't process her direct debit correctly which caused her distress and inconvenience.

Miss D would like Creditspring to increase their offer of compensation.

What happened

Miss D entered an agreement with Creditspring in December 2024.

When Miss D's direct debit instruction failed to pay her membership fee on 14 January 2025 Miss D was alerted and she paid the following day. Miss D had a live chat with Creditspring about the direct debit on 16 January 2025 and subsequently lodged a complaint.

Creditspring apologised for their error with Miss D's direct debit and took on board Miss D's feedback about the tone of their failed direct debit message. Creditspring recognised the matter had caused Miss D distress and inconvenience and offered to waive two months' membership fees.

Miss D wasn't happy and referred her complaint to the Financial Ombudsman Service. Our investigator thought Creditspring had made a fair offer of compensation and didn't recommend they take further action.

Miss D reiterated how this matter had impacted her mental health and asked for an ombudsman's 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so, I think Creditspring's proposal to waive two months' membership fees is a fair way to put matters right. I'm going to require Creditspring to apply this to Miss D's account, but I won't ask them to take any further action. I'll explain why.

I acknowledge Miss D's concern that Creditspring's message regarding the direct debit didn't quite fit Miss D's situation as the error was on Creditspring's side. However, I think this was an automated message which served its purpose of alerting Miss D to the need to make a manual payment. I was pleased to see that Creditspring acknowledged Miss D's concerns, and I think it's fair that they've passed her feedback to the relevant team.

Miss D's shared how this matter made her feel very anxious, and the steps she took when her direct debit failed. Miss D called her bank, who confirmed the direct debit was set up and hadn't been taken, and she arranged a manual payment of her membership fee. Miss D said she had sleepless nights and had to tell her employer about the risk of an adverse entry on her credit file, because this was her obligation under her contract of employment.

However, in the transcript of the live chat on 16 January 2025 Miss D was informed "this is not going to have an impact on your credit file or account with us." So I think this was reasonable reassurance that Miss D needn't worry any further about her late payment adversely affecting her.

In these circumstances I think there was a short period of worry and inconvenience, and this is fairly recognised by Creditspring's offer to waive two months' membership fees. So, I'm going to require Creditspring to arrange this.

Putting things right

Inclusive Finance Limited trading as Creditspring must waive two months of membership fees on Miss D's account. If this has already been arranged, then Creditspring need not take any further action.

My final decision

For the reasons I've outlined, Inclusive Finance Limited trading as Creditspring must put things right as I've set out above.

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

Clare Burgess-Cade
Ombudsman