

The complaint

Mr S complains about the way Secure Trust Bank Public Limited Company trading as V12 Retail Finance ('V12') has dealt with his loan account.

What happened

A summary of the background to this complaint is as follows:

- In December 2022, Mr S purchased an item from a retailer using a loan from V12 for a sum of £2,247. The monthly repayments were set at just over £46. The loan agreement with V12 was in the sole name of Mr S and initially, he was using his own bank details to make the repayments.
- In 2023 Mr S updated the bank details on his loan account with V12 using his ex-partner's bank details. The repayments were taken from this latter account until early 2025. At this point, there was a missed payment and when Mr S enquired about this, he informed V12 about the bank account being his ex-partner's.
- V12 wouldn't agree to continue to take the repayments from an account that wasn't Mr S's unless he obtained authority from the relevant bank account holder. Mr S complained about this and about V12 adding a missed payment marker to his credit file.
- V12 acknowledged one of its agent's made a mistake during a call for which it apologised. However, it said this didn't change the requirements for collecting repayments from another bank account.
- Our investigator recommended V12 pay Mr S £100 for the distress and inconvenience caused for its mistake but in all other respects, she thought V12 had acted fairly and reasonably.
- Mr S asked for an ombudsman's decision on this matter as he thought the £100 compensation was insufficient to recognise the impact of V12's error.

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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. For the following reasons, I'm reaching the same conclusion as our investigator:

- In terms of V12 not agreeing to add Mr S's ex-partner's bank details to his account for the purpose of collecting repayments for the loan, I can't see it's acting unfairly or unreasonably here. V12 has provided clear, fair and not misleading information about

why Mr S needs to obtain authorisation from his ex-partner if he wants the repayments to be taken from an account other than his own.

- I appreciate Mr S was able to make repayments previously using his ex-partner's bank details, but this seems to be because he didn't complete the relevant form correctly. And the letters he received were automated so it wasn't picked up by V12 in 2023 when Mr S made the relevant changes. In 2025, once V12 was made aware of the true situation, I don't think it was unfair or unreasonable to ask Mr S to obtain the relevant authority from the bank account holder. Without this V12 has explained to Mr S it can't set up the direct debit mandate in his ex-partner's name. I can't say this is unfair or unreasonable as it's in line with V12's terms and conditions.
- From what I can see, V12's agent mistakenly said there'd been a change in policy, and this is why his ex-partner's account could no longer be used without the relevant authority. But this wasn't correct as it had always been the case. Whilst I take on board Mr S's frustration with V12's customer service, for this mistake I think £100 fairly and reasonably compensates him for the distress and inconvenience caused.
- Finally, I note what Mr S says about the impact of the missed payment markers on his credit file. But this seems to be a true reflection of what's happened and V12 have a duty to report accurate information to the relevant Credit Reference Agencies. I sympathise with Mr S about the circumstances that led to the missed payment(s) and reasons why he doesn't think he should continue to repay the loan. However, I can't see that V12 has acted unfairly or unreasonably here as the agreement it has is with Mr S and not another party.

For all the above reasons, and whilst I know this will be a disappointing outcome for Mr S, I'm not asking V12 to pay any more than £100 in compensation for the distress and inconvenience it caused.

My final decision

My final decision is that Secure Trust Bank Public Limited Company trading as V12 Retail Finance should pay Mr S £100 for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 October 2025.

Yolande Mcleod
Ombudsman