

## **The complaint**

Miss H is unhappy with several aspects of the service that she's received from Happy Customers Group Ltd, trading as Pay As You Go Carpets ("HCGL").

## **What happened**

Miss H entered into a credit agreement with HCGL wherein she was to make payments of £80 per month. Miss H discovered that HCGL had set up two direct debits for £80, rather than one. Miss H contacted HCGL about the matter, who agreed to cancel the two direct debits and set up one new one. However, when Miss H checked with her bank, she found that HCGL had once again set up two direct debits instead of one. Miss H contacted HCGL again, who again agreed to cancel the direct debits and correct the issue.

Several months later, Miss H received a letter from HCGL saying that no payment had been received from Miss H for a prolonged period and that HCGL were considering court proceedings against her. Miss H contacted HCGL and apologised for what had happened and explained that she had sadly suffered a loss within her family and that her financial position had worsened. It was later agreed between Miss H and HCGL that Miss H would pay £40 per month towards her account, which it's my understanding that Miss H has been doing. However, Miss H wasn't happy with the service she received from HCGL throughout this time, so she referred her complaint to this service.

One of our investigators looked at this complaint and attempted to liaise with HCGL about it. Unfortunately, the efforts of our investigator have been hampered by HCGL, who have failed to engage with this service in any meaningful sense. Our investigator therefore conducted their review based on Miss H's testimony and the information that they did have and felt that HCGL hadn't treated Miss H fairly and should pay £150 compensation to her. HCGL didn't respond to our investigator's recommendations, 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.

HCGL's apparent refusal to meaningfully engage with this service, despite numerous requests for them to do so, is by any reasonable standard extremely poor. When this service first reached out to HCGL, they replied very briefly and stated that Miss H hadn't referred her complaint to them in the first instance. However, I'm satisfied that the initial contact HCGL received from this service, in which Miss H's complaint was explained to them, did constitute a referral of that complaint to HCGL, such that it would be expected that HCGL would formally consider and respond to that complaint – a process that this service would have given them time to complete.

But HCGL have failed to consider and respond to the complaint that was referred to them and have also failed to further engage with this service. Accordingly, I'm satisfied that HCGL have received the complaint and have had a formal opportunity to respond to it, and that

therefore this service does have the remit and authority to consider this complaint. I'm also satisfied that this service has reached out to HCGL on numerous occasions, and that HCGL has effectively refused to engage with us.

Because of HCGL's lack of engagement, I'm forced to consider this complaint without their input. I've therefore based my decision on the information I have available to me. This includes Miss H's testimony, which I find persuasive, and which HCGL haven't offered any objection to.

Miss H doesn't dispute that she didn't make payments to the account for several months. But Miss H feels that she would have made some or all the missed payments had HCGL correctly set up a direct debit on her account. Matters are unfortunately complicated here by the personal loss that Miss H suffered around that time, for while I do feel that Miss H should have been monitoring her account and should have been aware that payments weren't being made, I can understand why she didn't. And I also feel that Miss H is correct when she says that payments most likely would have been made if HCGL had correctly set up the direct debit – something that Miss H contacted HCGL about on two occasions.

Miss H is also unhappy that HCGL didn't contact her about the missed payments until sending her a letter which threatened court proceedings. Again, HCGL haven't provided any information to this service which gives me cause to doubt Miss H's testimony in this regard, and I can appreciate how a letter that mentioned court proceedings, received seemingly out of the blue, could have been upsetting and concerning to Miss H at a difficult time for her.

Miss H has also said that she is unhappy with how HCGL spoke with her on the telephone. Given the lack of professionalism demonstrated by HCGL here, in both their administration of Miss H's account and in their interaction with this service, I'm persuaded by Miss H's testimony and accept her account of events.

I feel that HCGL have treated Miss H unfairly in these regards, and so I'll be upholding this complaint in her favour and instructing HCGL to pay £150 to her as compensation for any trouble or upset she may have incurred. HCGL must pay this amount to Miss H directly and may not use it to reduce Miss H's outstanding balance with them, unless Miss H gives her explicit permission for them to do so.

Finally, this complaint is limited to the service aspects described above. If Miss H is unhappy with any other aspects of how HCGL have administered her account, she should raise a complaint with HCGL in the first instance and allow HCGL eight weeks to respond to that complaint. If HCGL fails to respond to her complaint within eight weeks, she may consider referring that complaint to this service.

### **Putting things right**

HCGL must pay £150 to Miss H.

### **My final decision**

My final decision is that I uphold this complaint against Happy Customers Group Ltd, trading as Pay As You Go Carpets, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 26 February 2026.

Paul Cooper

**Ombudsman**