

The complaint

Mrs A complains that JAJA Finance Limited (JAJA) debited a balance transfer to her account twice, and that a direct debit payment wasn't collected.

What happened

Mrs A requested a balance transfer for £2,200 from her JAJA account in November 2024.

In May 2025 Mrs A noticed a second amount of £2,200 was debited to her account and she contacted JAJA as she didn't know what it was for. Mrs A said she received no details from JAJA about this debit, and they couldn't explain it to her despite repeated requests.

In June 2025 JAJA contacted Mrs A to let her know her direct debit hadn't been collected due to a system error, and so she'd need to make a manual payment.

Mrs A complained to JAJA in June 2025 about her direct debit not being collected, and that £2,200 has been debited from her account and she didn't know why.

JAJA sent Mrs A their final response to her complaint in July 2025. They said the direct debit hadn't been collected due to a system error. They upheld Mrs A's complaint, paying £30 compensation and refunding interest and late payment fees. JAJA arranged for any adverse information to be removed from Mrs A's credit file.

Unhappy with JAJA's response, Mrs A brought her complaint to this service for investigation. She said the balance transfer shouldn't have been added to her account twice, she was being charged a large amount of interest because of the error, and she took care to manage her accounts and payments carefully, so this unexpected balance had caused her distress and anxiety.

JAJA said they'd processed Mrs A's balance transfer twice in error. They said they told Mrs A that they'd made an error in processing the transfer twice when it occurred, and that they had tried to recover the funds from the card provider they'd been sent to, but they'd been unable to, and so in May 2025 they added the second £2,200 to Mrs A's JAJA account.

Our investigator gave their view that JAJA had acted fairly in respect of putting right the error made with the direct debit payment. They said they were satisfied that JAJA had let Mrs A know about the error with the balance transfer, and that it was fair for them to debit the second amount from her account. But they said the balance transferred should be on the promotional rate that was agreed when the transfer was made, and any interest charged because of the rate being removed should be refunded.

JAJA accepted our investigators recommendations.

Mrs A didn't agree. She said, in summary, that she hadn't received the emails from JAJA explaining the error with the balance transfer, they'd made a serious error in processing it twice, the funds were available for them to recover the amount processed in error and so they should've done so, they didn't add the second charge to her account for some months,

and Mrs A said she was cautious about debt and card payments, so the unexpected debit caused severe anxiety and disrupted her carefully managed financial planning. Mrs A said she thought JAJA should pay compensation for the distress and inconvenience caused.

As an agreement can't be reached, the case has been passed to me for a 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.

Firstly, I'm aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Direct debit

JAJA have accepted that there was an error in their systems which prevented Mrs A's direct debit from being collected in June 2025. So, I've considered whether they've done enough to put things right.

JAJA have refunded any fees in relation to the direct debit error, removed any marker from Mrs A's credit file and paid her £30 compensation. I'm satisfied that a refund of fees was fair, and that a missed payment shouldn't be recorded on Miss A's credit file as it wasn't missed by Mrs A.

Mrs A has also been put to distress and inconvenience in having to make a manual payment to keep her account up to date, and I'm satisfied that the £30 compensation paid by JAJA fairly reflects the distress and inconvenience caused in the circumstances.

Mrs A had a promotional interest rate applying to the balance transfer at the time that the direct debit failed. A requirement of the promotional rate is that payments are maintained on time, and so when the direct debit failed the promotional rate was removed.

As the rate has only been removed because of JAJA's error in respect of the payment, I'm satisfied that this should be reinstated, and any interest charged because of its removal should be refunded. JAJA say they have taken this action already.

Balance transfer

Mrs A has said that the £2,200 debited to her account in May 2025 was a surprise to her and has caused severe anxiety.

JAJA have accepted that they made an error in processing the £2,200 balance transfer that Mrs A requested in November 2024 twice.

I've seen evidence that JAJA contacted Mrs A when they made the erroneous transfer to let her know about it, and to tell her that they would work to recover the funds. I'm satisfied that these emails were sent to Mrs A at the correct email address.

I've seen evidence that JAJA made attempts to recover the funds from the second balance transfer, but they were unable to do so.

Mrs A has, therefore, received two sums of £2,200. JAJA worked to recover the funds for six months before making the debit from Mrs A's account, and I'm satisfied that this was a reasonable time to try to get the funds back before they asked Mrs A to pay for the second balance transfer.

I understand that Mrs A has said that the account the transfer was made to had funds available, so JAJA should've been able to recover them. Whilst I'm satisfied that the funds were available and not spent by Mrs A, this doesn't mean that JAJA were able to get them back from the other provider. Overall, I'm satisfied that JAJA did what they could, but ultimately when they were unable to recover the funds they'd transferred in error, it was fair for them to debit this to Mrs A's account with them.

Mrs A has explained that the debit to her account came as a surprise to her and disrupted careful financial planning. I'm sorry to hear of the effect this had on Mrs A, and I've thought about this carefully.

I appreciate that the debit was somewhat unexpected for Mrs A when it happened, but I must consider that the funds were transferred to her originally. Mrs A knew that she'd applied for a balance transfer of £2,200. She received £4,400. So, I think Mrs A ought to have reasonably been aware that something had gone awry, and that these funds would need to be either returned or she would owe them to JAJA.

Mrs A has explained how carefully she plans her finances, and so I think it's reasonable to say she'd have been aware that the funds hadn't been returned to JAJA, and so I'm not persuaded that the debit of the second balance transfer was so unexpected as to warrant compensation.

In summary, I'm satisfied that JAJA made an error in transferring twice the amount that Mrs A had asked them to. But I'm satisfied that they made Mrs A aware of the error, tried to recover the funds, and fairly debited the amount to Mrs A's account when they were unable to recover it.

I think Mrs A ought reasonably to have been aware that she owed the sum to JAJA if it couldn't be recovered, and so I'm not persuaded that compensation is due in the circumstances.

The erroneous balance transfer would've been subject to the same promotional rate as the original one, and so JAJA should ensure that this is granted.

My final decision

My final decision is that I uphold this complaint, and JAJA Finance Limited must:

- Place the initial balance transfer amount of £2,200 back on the promotional interest rate agreed when it was processed.
- Place the second amount of £2,200 on the same promotional interest rate.
- Refund any interest charged because of the promotional rate being removed and adjust the balance of Mrs A's account accordingly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 22 May 2026.

Zoe Merriman
Ombudsman