

complaint

Mr S complains that Loans Direct UK Limited charged him a fee but did not provide any services to him and has not refunded the fee to him.

background

Mr S applied to Loans Direct for a loan in June 2012. He was told that his application had been accepted and a fee of £49.99 was charged but he did not receive a loan. He complained to Loans Direct but did not receive a response so complained to this service.

The adjudicator recommended that this complaint should be upheld. He concluded that, although the fee had been refunded (less £5), that did not happen for almost twelve months and that Loans Direct's customer service and its complaints handling procedure had caused Mr S distress and inconvenience. He recommended that it should pay £100 compensation to Mr S for that distress and inconvenience.

Loans Direct has responded to say that it is not the business with which Mr S was dealing.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr S applied to Loans Direct for a loan in June 2012. His application was accepted and he paid a fee of £49.99 but he did not receive the loan. He has provided a copy of the invoice for the fee, which is clearly from Loans Direct, and a copy of his bank statement which clearly shows that the payment was made to Loans Direct. He asked for a refund of the fee (less a £5 charge), but did not receive that refund until this service became involved, almost exactly a year later.

Loans Direct has provided no evidence to explain why it collected the fee when no loan was arranged for Mr S or why it did not refund the fee at an earlier stage. Loans Direct has unsuccessfully objected to this service's jurisdiction to consider Mr S's complaint and now says that it is not the business with which Mr S was dealing. I am satisfied that there is enough evidence to show that Mr S's dealings have been with Loans Direct.

The customer service and complaints handling that Mr S has received from Loans Direct have not been acceptable. That will have caused him distress and inconvenience and I consider that it would be fair and reasonable for it to pay him £100 compensation.

my final decision

For these reasons, my decision is that I uphold Mr S's complaint. In full and final settlement of it, I order Loans Direct UK Limited to pay £100 compensation to Mr S.

Jarrold Hastings
ombudsman