

complaint

Mrs M, represented by Mr M, complains that Close Brothers Limited sent information to an old address causing distress and costs.

background

Mrs M has a credit agreement with Close Brothers relating to her insurance policy. In October 2018, Mr M contacted Close Brothers about a missed payment and explained the situation that had led to this. He also changed the correspondence address. On 5 November Mr M called again saying the insurance policy had been cancelled. As part of this call he discovered that Close Brothers had the old address on its system.

Mr M says that he and Mrs M had experienced serious issues at their old address which is why they moved. He says that the police were involved. Because of the issues Mrs M was concerned about the new address and information about their cars being sent to their old address and so decided to change car registration plates and stay in a hotel.

After a complaint was raised, Mrs M was told that the new address had not been sent to her old address. However she wants to be compensated for the costs of the new registration plates and hotel.

Close Brothers says that Mrs M's address was changed on 8 October and a letter to confirm this was sent to her old address. It says that no new information was included in this letter. On 12 October it received an instruction from the broker's automated system to amend the address back to the old address. It says this was processed automatically and so no team member saw this or had the opportunity to challenge it. A letter was then sent to Mrs M about the amendment to the new address.

Close Brothers' did not accept that it had breached the Data Protection Act. It did uphold the complaint in regard to the tone of its Customer Services' Department. It apologised for this and awarded £75 compensation for the trouble and upset caused.

Our investigator did not find that Close Brothers had provided the service it should have. She noted that a letter including a payment schedule was sent to the old address even though this was actioned on the call when the address was changed. She further noted that a termination notice was also sent to the old address on 22 October and she thought more could have been done to stop this. Because of this she recommended that Close Brothers pay a total compensation of £150 (£75 additional to its original offer).

Neither party accepted our investigator's view. Mr M said it was understandable, given the issues, that Mrs M spent money on changing the car registration plates and staying in a hotel.

Close Brothers said that no personal information was sent to Mrs M's old address and that this should have been clarified by its agent on the call. It said that although Mr M had contacted it to update the address it relied on information from the insurance broker being correct and would always carry out an automated instruction.

In regard to the payment schedule, it said that this was generated on the day Mr M called to change the address and that it was sent to the address on the agreement. As this was ordered before the address change was notified the action was already in the system and couldn't be changed.

It said it had considered the distress the issues had caused and said its offer of £75 was reasonable.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Our investigator has explained that it isn't our role to say whether Close Brothers breached data protection laws. This is for the Information Commissioner's Office to decide. However, we can look into whether Close Brothers acted fair and reasonably and whether it should pay any compensation due to the impact any issues have caused.

I have listened to the calls that took place on 8 October. On these call Mr M explains the situation that he and Mrs M were in and the reason for the missed payment. An agreement was made about future repayments. I note the comments Mr M made on the later calls about not being told about he need to make a manual payment but on this call it is explained that the arrears payment would need to be made over the phone.

Following the discussion regarding payments, Mr M changed the address on the account. It was explained this was a change of correspondence address and that he would need to change the address with the insurer as well. On the call on 5 November, as well as the issue about a manual payment Mr M also discovered that the old address was on the system.

Mr M explained that there had been problems with the previous landlord and was upset that letters containing personal details had been sent to the old address. The adviser acknowledged this comment rather than explaining what information had been sent so I can understand why, at this stage, Mr M was concerned that personal data had been sent to the old address. Mr M says that because of this he and Mrs M paid to stay in a hotel and change their car registration plates.

While I appreciate Mr M's concerns I also note that a call took place on 6 November. This was a day after the call on which concerns were raised and the adviser says that it was a payment schedule that was sent to the old address and there is no suggestion that the new address details were disclosed. I have not heard on the calls any suggestion that information about the car registration numbers was sent to the old address.

I have looked through the letters sent to the old address and can see that there were three. The first is the acknowledgement of the address change. It is right this is sent to ensure the address change is genuine and there is no information in this that should raise concerns. The next letter is the payment schedule and then a termination notice is also sent. Again these letters do not contain the new address or details of car registration numbers.

Based on the above, I do not find it reasonable that Close Brothers should be required to pay for the hotel and change of registration plate costs.

That said I do not find that Mrs M was provided with the service she should have been. Close Brothers offered to pay her £75 compensation and I understand a cheque was sent on 27 November 2018. But based on the final response letter this payment appears to be linked to the tone used by its Customer Service's Department.

I note Close Brothers' comment that the payment schedule was ordered before the address was updated. However given this all happened on the same call I think it would have been reasonable for Mr M to have been told about the letter going to the old address, or for steps to have been taken to amend this.

Close Brothers has said that the insurance broker then amended the address back to the old address. While I accept that this is not a mistake by Close Brothers, I also think it reasonable that given Mr M had updated the address he would expect letters to go to the new address. Because of this change the termination notice went to the old address. I understand that systems are automated but I also think it reasonable that checks are in place to flag any unusual circumstances and given the short period between the changes in address it is disappointing that this was not flagged.

Overall, I think that Close Brothers could have provided better service in regard to Mrs M's account. Because of this I agree with our investigator's recommendation that the total amount of compensation should be increased to a total of £150.

my final decision

My final decision is that Close Brothers Limited should pay Mrs M a total of £150 compensation (£75 additional to the initial offer of £75 for which a cheque was issued) for the trouble and upset she has been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 4 April 2019.

Jane Archer
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