

complaint

Miss B is unhappy that USave Money Limited (trading as the Money Group) won't give her a refund of payments that were made to it by mistake.

background

Miss B had a debt management plan with Usave. She paid it £80 each month. This was done by standing order. The money was then paid by Usave to the companies she owed money to.

Miss B then changed her debt management plan to another company. A direct debit was set up to make payments to the new company. Again, the payment was then paid to her creditors.

But Miss B forgot to cancel her standing order to Usave. For the next eight months she was making payments to both debt management companies. Miss B cancelled the standing order to Usave. She has asked it to return the payments. These add up to £640. Usave hasn't made the refund.

Our adjudicator found that Usave should return the payments. He also said it should pay her 8% simple interest on each payment from the date it was made.

Usave is in liquidation. The liquidator hasn't responded to this individual complaint. It is understood that the liquidator is happy with us to deal with the complaint as normal. It is assumed that it wants this complaint to be looked at by an ombudsman.

my findings

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

I've looked at Miss B's bank statements. I can see that she made payments to both Usave and the other company each month. This started in January 2012. It continued for eight months.

Miss B should have cancelled her payment to Usave. She didn't. But this doesn't mean Usave can keep her money. It was no longer dealing with her debts. The other company was.

I've seen nothing that shows that Usave passed Miss B's payments on to her creditors. So it should have given her a refund when she first asked it to. Usave should now refund each payment. It should also pay Miss B interest on the payments.

Usave is in liquidation. We have told Miss B this means her refund and interest might not be easily repaid to her. But it would clearly be unfair if she doesn't receive a refund.

my final decision

My final decision is that I order Usave Money Limited to pay Miss B £640. I also order it to pay her 8% simple interest per annum on each of the eight payments of £80. The simple interest should be calculated from the date of each the payments to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 10 September 2015.

John Miles
ombudsman