

complaint

Mr S and Miss T have complained about irresponsible lending by GE Money Secured Loans Limited and about fees and charges added to their secured loan accounts after they fell into arrears.

background

Mr S and Miss T have two secured loans taken out with GE Money in 2002 and 2004. The 2002 loan is regulated by the Consumer Credit Act 1974 ("the Act"). The 2004 loan isn't regulated by the Act.

They have complained that the loans were mis-sold because payment protection insurance (PPI) was included. In protest at the PPI Mr S and Miss T stopped making payments in 2012.

GE Money obtained suspended possession orders in April 2012 and June 2014. All payments have been maintained under the suspended possession orders. But Mr S and Miss T are unhappy at the arrears fees and other charges added to the account. They consider these to have been unfairly added because of their dispute about the PPI.

Our adjudicator explained that we couldn't look at the complaint that the loans were mis-sold in 2002 and 2004, because GE Money didn't fall within our jurisdiction until 6 April 2007 (for the 2002 loan) and 1 April 2014 (for the 2004 loan). But we could look at a complaint about the fees and charges added since 6 April 2007 (for the 2002 loan) and 1 April 2014 (for the 2004 loan).

The adjudicator was satisfied that, where we were able to consider those issues, all fees and charges had been fairly added. She didn't recommend the complaint should be upheld.

Mr S and Miss T asked for an ombudsman to review the complaint.

my findings

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

I see that another ombudsman has already reached a decision that we are unable to consider the complaint Mr S and Miss T made to us about the PPI. So I will make no further comment on that here.

the 2002 loan – We can consider a complaint against GE Money about this loan, but only in relation to events that took place after 6 April 2007, the date when GE Money joined what was then called our consumer credit jurisdiction. This means that I can't consider a complaint about mis-sale of the loan or irresponsible lending.

But I can look at what happened after that date. Here I see that Mr S and Miss T stopped paying the loan in April 2013. They didn't respond to GE Money's attempts to collect the missing payments. It charged £40 in arrears charges, but there are none that I consider have been charged incorrectly.

I'm also satisfied that the legal fees incurred are payable. GE Money was left with no option but to take possession proceedings, as payments were not being made and Mr S and Miss T were unresponsive to GE Money's attempts to obtain payment.

the 2004 loan – We can only consider events about this loan in relation to events arising after 1 April 2014, when this type of unregulated agreement fell within the scope of our rules. But there have been no fees or charges added to the account since that date.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S and Miss T to accept or reject my decision before 19 March 2015.

Jan O'Leary
ombudsman