

complaint

Miss N complains that London Mutual Credit Union (Limited) (London Mutual) wrongly took four direct debits from her account. This affected her credit file. And meant she has incurred bank charges. She wants bank charges refunded, her credit file rectified and compensation.

background

Miss M says that she set up a direct debit to make loan repayments. She says she noticed the same direct debit had been set up four times. So she called London Mutual. And says it told her it had been sorted. But the direct debits went ahead. Two failed. But two went through.

Miss N says she's incurred bank charges as a result. And her credit file has been affected.

London Mutual apologised. It explained there had been a systems error. It returned the extra direct debit that had been taken. And said it would refund any bank charges Miss N could show she had incurred. It explained it couldn't alter Miss N's credit file. It could only change its own credit reporting. Not reporting for another institution. It offered to give Miss N a letter to explain what had happened to help her sort out her credit file.

Our investigator upheld the complaint. He found London Mutual's response was fair. But recommended it also paid £100 compensation for distress and inconvenience. It had taken London Mutual a month to refund the direct debit payment

Miss N accepted this view. But London Mutual hasn't responded. So the complaint has come to me for a final decision

my findings

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

There's no dispute that London Mutual took four direct debits instead of one. Two failed but two were successful. It has apologised and refunded the extra direct debit payment. Offered to cover any bank charges Miss M can show she has incurred. And offered to write a letter to Miss N's bank to explain what has happened. That should help to sort out Miss N's credit file.

I think this is a reasonable response in the circumstances.

Our investigator also recommended that London Mutual pay Miss N £100 compensation for distress and inconvenience.

London Mutual can't alter Miss N's credit file. So if it does need altering Miss N will have to sort this out with her bank. But I don't think Miss N has given us evidence that her credit file has been affected. London Mutual also said it would refund any bank charges. But I haven't seen any evidence of bank charges. So I don't think I can reasonably take these issues into account.

But the matter has put Miss N to some inconvenience. She had to contact London Mutual when she realised it had set up four direct debits not one. And she's told us London Mutual

told her this would be sorted. But it wasn't. I can see from copies of text messages Miss N's given us that she had to contact London Mutual several times about this. And she had to wait a month to get her direct debit refunded. So in the circumstances I think £100 compensation is fair and reasonable.

my final decision

My final decision is that I uphold this complaint.

In full and final settlement London Mutual Credit Union Limited should pay Miss N £100 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 21 August 2017.

Bridget Makins
ombudsman