

complaint

Mr N complains about the activities of Blemain Finance Limited ('Blemain') in respect of his loan.

background

In April 2007 Mr N – through his brokers - took out a self-certified loan over 5 years, partly for the purposes of debt consolidation. The loan was secured as a second charge over his property. The account went into arrears in November 2007 (due to difficulties with Mr N's business and his return to full-time education), which were successfully managed till February 2008 – when the arrears re-started and have remained so since that time.

Mr N has failed to meet the individual payment plans which Blemain set up to manage his arrears and to return the completed income and expenditure forms, so that Blemain could assess Mr N's financial situation. In view of the ongoing arrears Blemain started legal proceedings and obtained a suspended possession order in December 2009 and April 2010.

The account was redeemed in April 2012 following sale of the property, but the balance of the loan - which Blemain has frozen - remains outstanding.

Mr N initially complained about the fees and charges, but later complained about the set-up fees and irresponsible lending – which the parties have agreed may be considered as part of the existing complaint.

In its letter of June 2012 Blemain offered to refund:

- (i) charges which had been incorrectly added to the account;
- (ii) buildings insurance administration fees; and
- (iii) charges, which would be reversed in line with the current tariff.

In August 2012 it increased its existing offer, and added £100 for distress and inconvenience ('D & I').

The adjudicator did not recommend that the complaint be upheld, as he considered that the offer made by Blemain to refund charges and offer D & I to be fair and reasonable. He did not consider that Blemain had mis-sold the loan, and the set-up fees were clearly set out in the loan agreement.

Mr N, who is now taking legal advice, did not accept the adjudicator's recommendations.

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 have taken careful note of the further representations made by Mr N since the adjudicator's letter.

For the same reasons as provided by the adjudicator, I do not uphold this complaint.

I have seen no evidence that Mr N, who obtained the loan through his brokers (who have since ceased trading), was told by Blemain that he could renegotiate the terms of the loan at any time. The loan agreement stated (at clause 8) that Blemain was not responsible for anything that the broker may have said or written to Mr N. Blemain reasonably assessed his application based on his income rather than making a full affordability assessment.

Mr N signed his understanding of the agreement and made a declaration of income and affordability. He confirmed his ability to make the required monthly repayments. It was the broker's responsibility (not Blemain's) to explain the meaning of the agreement, including the self-certified nature of Mr N's declared earnings (if required).

I am also satisfied that the offer of refund of charges and D & I made by Blemain is fair and reasonable for reasons already provided by the adjudicator.

my final decision

For these reasons I do not uphold this complaint.

Charles Sweet
ombudsman