

complaint

Mrs M complains that Moneybarn No. 1 Limited wouldn't let her change the date that she paid her direct debit direct.

Mrs M's husband helped her with her complaint.

background

Mrs M took finance out for a car with Moneybarn No. 1 Limited. She is unhappy that Moneybarn refused to move her direct debit payment date from 25th to 28th of each month. She also says Moneybarn harassed her by continuing to contact her by phone when she asked it not to.

Moneybarn didn't uphold Mrs M's complaint; it said it hadn't done anything wrong. Mrs M remained unhappy and brought her complaint to us.

Our adjudicator recommended the complaint should be partly upheld. He didn't think Moneybarn had made a mistake as its internal system didn't allow it to move the direct debit date to 28th. He thought that Moneybarn could've written to Mrs M instead of continuing to call her, after she had asked it not to. He asked Moneybarn to pay Mrs M £100 for the distress caused.

Mrs M didn't agree, she said that Moneybarn should change the direct debit date to 28th and cancel any outstanding late payment charges on the account.

Moneybarn agreed to remove one £18 late charge as Mrs M had some difficulty making a payment online. It didn't think it should pay Mrs M compensation as it was trying to resolve Mrs M's complaint more quickly by talking with her.

The complaint has been passed 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.

direct debit payment date

Moneybarn says that Mrs M's finance agreement started on 4 January 2016, so the billing date is the 4th of every month. It advised that its internal system allows Mrs M to change the direct debit date to 10 days before or 21 days after the billing date. As Mrs M wanted to change the date to the 28th, it couldn't do this unless Mrs M made two payments in a month.

Mrs M says that Moneybarn has made a mistake as she signed the agreement on 30 December 2015, so this should be the billing date. Mrs M says this means that Moneybarn could've changed her direct debit payment date to 28th.

I can see that Mrs M signed the agreement on 30 December 2015 and Moneybarn signed the agreement as the "date of agreement" on 4 January 2016. Clause 1.1 of the finance

agreement states clearly that the agreement starts when Moneybarn signs the agreement. So I don't think Moneybarn has made an error by setting its direct debit limits from 4th.

Mrs M says she was mis-sold the agreement as Moneybarn didn't tell her about its direct debit limits when took the finance out. However, there is no requirement for Moneybarn to explain its direct debit limits to customers. So I don't think Mrs M was mis-sold the agreement.

While I appreciate Mrs M is disappointed that she couldn't change her direct debit date to 28th, without making two payments in a month. Moneybarn did offer the option of a payment plan to spread the cost of the additional payment, so Mrs M could have the payment date of her choice. I think this was a reasonable offer.

I don't think Moneybarn made an error by not letting Mrs M change her direct debit payment to 28th. And I won't be directing Moneybarn to change the direct debit date to 28th or telling it to cancel any additional (it has agreed to refund one late charge) late charges applied.

contact by Moneybarn

Mrs M says she made it clear to Moneybarn that she didn't want to discuss her account on the phone. She is unhappy that Moneybarn ignored her request for responses in writing. In particular she is unhappy that Moneybarn made calls to her when she told it she was on holiday.

Moneybarn says that it did try communicating with Mrs M by email and letter but she didn't provide the necessary information to pass its data protection checks so it couldn't discuss her account with any detail in writing. It says that the direct debit limits are quite complex, so it was easier to explain this over the phone. In addition Moneybarn says it wasn't aware Mrs M was on holiday when it called her.

I can see that as early as July 2016 Mrs M told Moneybarn that she only wanted responses in writing. From what I can see Moneybarn continued to call Mrs M, despite a number of requests for the calls to stop. I can see from the contact log that Moneybarn did also respond to Mrs M by email and letter.

I accept that Moneybarn was trying to resolve things more quickly over the phone and this was the easiest way to get her to clear security questions. I appreciate that it would've taken longer to get Mrs M's concerns resolved if everything was done in writing; but Mrs M had made it very clear that she didn't want to discuss the account on the phone.

Whilst I don't think the amount of calls Moneybarn made amounts to harassment. I don't think it was good customer services for Moneybarn to continue to contact Mrs M by phone or ask her to call it, after she told it she only wanted responses in writing.

Mrs M was distressed by Moneybarn's calls and she resorted to reporting it to the police. In particular she was upset that Moneybarn made calls to her even after she told them she was on holiday.

Mrs M told Moneybarn she was on holiday in an email on 20 August 2016. Whilst I can see that Moneybarn was trying to resolve Mrs M's concerns, it is clear that that Moneybarn's actions did cause Mrs M distress. So I think that Moneybarn should pay Mrs M £100 compensation to reflect this.

I know this isn't the outcome Mrs M was hoping for, but this decision marks the end of our process and we won't review the complaint further.

my final decision

I partly uphold the complaint.

To resolve the complaint Moneybarn No. 1 Limited should pay Mrs M £100 compensation within 28 days of the date on which Mrs M accepts my final decision. If it pays later, then it must also pay interest on the compensation from the date of the final decision until the date of payment at the rate of 8% simple per year.

If Moneybarn thinks Mrs M has to pay tax from that interest, it must provide her with a tax deduction certificate, so she can reclaim the tax if she is able to.

Both parties can contact HM Revenue & Customs if they want information about deducting tax from any interest paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 3 January 2017.

Karen Dennis-Barry
ombudsman