

complaint

Mr T has complained that he is owed a refund from Canada Square Operations Limited ("Egg") for his credit card account

background

Mr T opened a credit card account with Egg in April 2002. He took 'card repayment protector' – the payment protection insurance ("PPI") policy – at the same time.

By June of 2002 Mr T had exceeded his credit limit and had problems in repaying the debt. Egg agreed to suspend the interest accruing on the account and Mr T was to reduce his debt by paying £10 per month.

The debt was passed onto a third party in early 2004. Mr T continued to make the £10 monthly payments. In May 2005 Egg said the debt had been passed to the third party in error and took the debt back.

Mr T became ill in 2003 and claimed on his policy. There is a discrepancy about what happened next – Egg says it didn't receive his claim whereas Mr T said he made further contact - but the outcome was that the policy paid out on the claim in May 2005. It paid out the maximum benefit of the policy of £2,000.

Mr T complained to Egg about several issues with how his PPI claim was dealt with – most of which have been resolved. But Mr T wants the monthly payments he made to the third party, totalling £140, returned to him.

One of adjudicators looked at the complaint. He did not think the complaint should be upheld and Mr T wasn't owed anything further by Egg.

my findings

I've consider all the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. After doing so, I won't be upholding Mr T's complaint. I know he will be disappointed so I'll explain how I have reached the decision that I have.

In February of this year, Mr T was told by the third party he '*should refer to Egg for reimbursement of these payments that were mistakenly made as they have been remitted to the client [Egg]*'. But this isn't correct. And I think it is this comment that has led to a misunderstanding.

After it was agreed with Egg that Mr T would reduce his debt by £10 per month, the first payment was made by him in early August 2003 and the account balance then stood at £2,259.62. Further payments were made between late August 2003 and January 2004 – seven in total, which brought the amount outstanding to £2,189.62.

Egg passed on the debt to a third party - but not Mr T's account itself. The third party collected the £10 monthly payments and these were credited to Mr T's account still held by Egg. The payments were not kept by the third party.

I note from a copy email from the third party that Mr T has sent us, it shows 14 payments of £10, so £140 in total. Whereas the Egg bank statements only show a credit of 13 payments

after the debt was passed on. But this looks like a difference in the book keeping dates between Egg and the third party.

And I see that the third party paid Mr T the outstanding £10 in January of this year so anything due to Mr T has been paid, either by crediting his account which was still held by Egg - £130 - or the payment of £10 by cheque.

The third party didn't keep the payments as they were credited to Mr T's account so I don't agree he should have these refunded.

Mr T has said his claim on the policy for when he couldn't work, cleared the debt on his account. This is correct but the £130 had *already* been used to reduce the account balance from £2,189.62 to £2,059.62. The successful claim paid out the £2,000 maximum which left a balance on Mr T's account of £59.62 which Egg wrote off.

So there isn't anything outstanding with either Egg or the third party that is owed to Mr T.

my final decision

For the reasons I've given, I think Canada Square Operations Limited has treated Mr T fairly and it doesn't owe him anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 January 2019.

Catherine Langley
Ombudsman