

complaint

Ms J complains that Northamptonshire Credit Union Limited wrongly refused to give her a loan. She also complains about changes made to its business policies and practices and the service she received following her complaint.

background

In August 2015, Ms J applied for a £1,500 loan but was sent a letter explaining why this had been refused. Ms J did not agree this decision was fair and complained to the Credit Union.

The adjudicator didn't recommend that this complaint should be upheld. She explained it was a matter for the Credit Union to decide who to lend money to. She also explained the business had a duty to make sure the loan could be repaid during the agreed term and on the basis of the information the Credit Union had, it was reasonable for it to reach the conclusion that it couldn't be sure.

Ms J is unhappy that the lending policies changed resulting in hardship being caused to her, but she had not been informed. In addition she is no longer able to use her passbook with her account. The adjudicator explained that this service cannot interfere with businesses policies and procedures and would not expect the Credit Union to have informed all its members of changes unless these affected their membership. She also said she could not recommend that the Credit Union should change its policy to reflect Ms J's requirements.

The adjudicator said there was not enough information to say that the service Ms J received after she complained was bad. Ms J did not agree.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Northamptonshire Credit Union is able to make its own decisions about whether to lend to Ms J. This is a matter for its own legitimate commercial judgement and not one in which this service can interfere. I am satisfied Ms J has been given a full explanation why she could not have the loan she applied for. I appreciate Ms J was disappointed this was sent information about the refusal by letter rather than telephone call, but I am satisfied this was not an error as it was done so the Credit Union could explain its reasons.

I am satisfied that the changes to lending policies also fell within the legitimate commercial judgement of the Credit Union, this service will not interfere with that.

Ms J has recently asked that further matters be considered, including that she was told by a member of staff she had 'grandfather rights' (in other words the old loan policy would have applied to her and not the new one). In the lengthy conversations and material provided by Ms J, she has not raised this before. I cannot see any legal basis why this would have been the case and in all the circumstances am not satisfied she was told this by a staff member at the Credit Union.

I appreciate that Ms J finds it easier to manage her finances with the assistance of a passbook. I regret that the decision whether to continue using paper passbooks is also a decision that the Credit Union is able to make based upon its own commercial judgement. Ms J has recently raised a new issue in relation to an error of figures in her passbook. Ms J has not given full details about that and as this has not previously formed a complaint to the bank, I am unable to consider that as part of this complaint.

I have looked carefully at everything both Ms J and the Credit Union have said about the service Ms J received when she complained, in particular the refusal of the business to provide personal contact numbers of board members. I understand that Ms J was so frustrated by the situation that she obtained the complaints officer's home telephone number and left a message for her, which that employee considered to be offensive. I also understand that Ms J has contacted other employees of the Credit Union on their personal telephone numbers and has since been sent a letter from the Credit Union's solicitor telling her to stop. Whilst I understand that Ms J is upset by the refusal of her loan, I regret to say that I am not satisfied that the service Ms J received when she complained was below the standard we would expect. I am satisfied her complaint was dealt with fully and courteously. In all the circumstances I am also satisfied it is reasonable that the business will not provide personal details of the board members to Ms J.

I understand that Ms J will be disappointed with my decision, but for the reasons I have explained, it is not possible for me to arrange for the Credit Union to lend her money or to ask the bank to change its policies in relation to the provision of loans or passbooks. It also would not be fair for me to ask the business to take any further action in relation to the customer service it provided.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 30 December 2015.

Charlotte Holland
ombudsman