

complaint

Mr D complains Amigo Loans Ltd discussed his loan account with an unauthorised third party, which in turn caused his mental wellbeing to suffer.

background

Mr D took out a guarantor loan with Amigo and his brother stands as the guarantor.

Amigo took a phone call from a third party claiming to be Mr D in September 2018. Amigo asked three questions about Mr D's personal details as part of its checks to confirm the caller's identity – it asked for his name, address and date of birth, which the third party answered correctly. The caller went on to ask questions about the loan account including when the loan started and how well he had been meeting his repayments. Amigo shared this information with the caller.

Mr D contacted Amigo the next day, unhappy that it had discussed his account with a female family member and without his authority. He complains that his data protection rights have been breached. He also complains Amigo failed to act and he had to ask for an additional password to be added to the account.

Mr D says Amigo was already aware of the issues he faces with his mental health and this made matters worse. He said he had to ask his GP for stronger medication because of increased anxiety. Mr D says that armed with the information Amigo shared, the unauthorised caller together with his guarantor have pressured him to repay the loan.

Amigo accepted its agent could have asked more questions before continuing the conversation and so it offered £25 for the distress and inconvenience caused. Amigo explained that the caller did have Mr D's personal information, was aware some payments had been missed and so continued with the call as normal.

Still unhappy, Mr D brought his complaint to us to consider. Our investigator thought Amigo should have done more to keep Mr D's account information secure and given the impact this had on his mental wellbeing, she recommended Amigo increased its offer by £275 to £300.

Amigo accepts our investigator's recommendation. Mr D disagrees and has asked for his complaint to be reviewed by an ombudsman. He thinks Amigo should write-off his loan because he was gambling and suffered with mental health issues when he took it out.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same overall conclusion as our investigator on this case, and for broadly the same reasons.

Before I explain why, I will deal with Mr D's submission that Amigo should write-off his loan because he was gambling and suffered with mental health issues when he took it out. I've not considered these points further because they concern events leading up to Mr D taking out the loan. The complaint he referred to us concerns the later management of his account – he hasn't complained he shouldn't have been given the loan. If this is a complaint he wishes to make, he is free to do so and should direct it to Amigo in the first instance. If still

unhappy, he can refer to us again. So, I won't make any finding on events leading up to Mr D taking out the loan as part of this decision.

Amigo accepted our investigator's assessment and her recommendation to increase its offer by £275 to £300. So, essentially, I am left to consider whether Amigo needs to do more to resolve this complaint.

I can understand why Mr D feels so strongly about Amigo discussing his account with an unauthorised third party. I've taken note of Amigo's comments that the third party was a family member and had existing knowledge of Mr D's financial position. But this doesn't lessen Amigo's duty to keep his personal information secure. I also note that a password was later added to the account at Mr D's request and a further attempt by the third party to get information was blocked.

Mr D says both his guarantor and the third party had pressured him to repay the loan after the third party got the information from Amigo. Although I've not seen Mr D's brother made his own enquiries as guarantor, I can't ignore that he was entitled to know the information shared. I find it likely Amigo would have told Mr D's brother about the status of the account, given Mr D's payment was overdue. But I am persuaded Amigo sharing information with an unauthorised family member would have made matters worse for Mr D.

I understand Mr D wishes, as a way of resolving things, that Amigo write-off the loan. But I'm mindful that whether or not information was disclosed about Mr D's account, the loan amount would still be outstanding. So in the circumstances I don't think this would be a fair resolution.

With all the above in mind, I think £300 is fair – to reflect the level the distress and increased anxiety Amigo caused Mr D.

my final decision

For the reasons I've given, my final decision is that I uphold this complaint. Amigo Loans Ltd must pay £300 to Mr D to compensate him for the distress and inconvenience that he was caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 January 2020.

Stefan Riedel
ombudsman