

complaint

Mr P complains about the way Casheuronet UK LLC (trading as Pounds to Pocket) has dealt with him.

background

Mr P took out a payday loan with Pounds to Pocket. He's unhappy that it didn't respond at first to his requests for a payment plan. He also says it later didn't respond when he sent it details of his income and outgoings. It also recorded adverse information on his credit file. It's not responded to his complaints. He wants the default removed from his credit file, an arrangement to pay and £250 compensation.

Our adjudicator initially recommended that Pounds to Pocket should pay Mr P £150 compensation for its recording of the default.

But Pounds to Pocket didn't agree. It said Mr P had refused to make repayments towards the loan as he thought it'd breached data protection. It hadn't. This complaint was investigated and not upheld by the Information Commissioner's Office. It registered the default after two payments were missed. It'd placed the account on hold as soon as he said he was in hardship. No further charges were then added. It'd tried to work with Mr P to agree a suitable arrangement. There'd been significant communication but a solution hasn't been agreed. It's tried to reach out to Mr P by phone but hasn't been able to have a conversation with him to resolve things. It's made every effort to assist him.

As a result the adjudicator changed her opinion. She felt Pounds to pocket had acted fairly and reasonably. She didn't think the complaint should be upheld or that Pounds to Pocket should have to pay any compensation.

Mr P doesn't agree and has asked for an ombudsman review. He says he wasn't told the account is on hold. The repayment plan Pounds to Pocket wanted to set up was for more than the contractual payment. It should've been for a lower amount given his circumstances. When he applied for the loan he was off work sick. If proper checks had been carried out he wouldn't have got the loan. But he's confirmed Pounds to Pocket removed the default from his credit file.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I don't think Pounds to Pocket acted unreasonably in granting the loan. Although Mr P may've been off sick at the time he applied for it he's said he'd expected to return to work in a week.

Mr P hasn't made all the contractual loan payments. He's refused to make some payments because of alleged data protection issues or until he receives compensation.

It's reasonable for Pounds to Pocket to record the conduct and history of his account on his credit file. Mr P's unhappy that a default was recorded but I note that it's been removed. That's fair and reasonable.

He also says that Pounds to Pocket didn't respond when he sent in details of his income and outgoings. But I haven't seen anything to suggest that it actually received that information.

Mr P complains that Pounds to Pocket offered him a repayment plan with payments which were more than his contractual payments. But I don't think that was necessarily the case. It appears that the letters Mr P was sent mentioning larger instalment payments were in fact debt collection letters seeking repayment of his severely overdue account balance rather than offers of a formal repayment plan.

When Mr P told Pounds to Pocket of his hardship it appears to have frozen the account so more charges weren't applied. I also think it's tried to agree a suitable and affordable repayment plan with him. But it's not obliged to accept an offer he makes. I think Pounds to Pocket reasonably continued to attempt to resolve matters. But unfortunately this hasn't yet been possible.

Pounds to Pocket could've on a few occasions dealt with Mr P a little more responsively and it apologised in a letter for a delay in responding to him. Even so, I think Pounds to Pocket responded reasonably to Mr P's financial difficulties and hasn't done anything substantially wrong.

Taking account of all the circumstances I don't think I can reasonably require Pounds to Pocket to pay Mr P any compensation as he would like.

Overall, although I recognise Mr P's frustration, I don't see a compelling reason to change the proposed outcome in this case.

I would urge both parties to continue to communicate and co-operate with the other so an affordable repayment plan can be agreed.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 15 February 2016.

Stephen Cooper
ombudsman