

complaint

Mr and Mrs M complain about charges applied to their secured loan accounts with CT Capital PLC ("CT").

our initial conclusions

Our adjudicator thought that most of the charges were fair and reasonable, as Mr and Mrs M were in substantial arrears. She noted that CT had offered to refund most of the charges. She thought this was a good offer and didn't recommend upholding the complaint.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr and Mrs M and CT Capital have provided.

Having done so, I agree with the adjudicator. Mr and Mrs M have three loans, taken at various times. All are Consumer Credit Act loans. They have been in arrears to a greater or lesser extent since about 2009, and the arrears are now approaching £20,000. No or minimal payments have been made to the account for some time.

I do sympathise with Mr and Mrs M, who are clearly in significant financial difficulties. But they took out these loans, and they do owe the money. If they don't make payments, CT is entitled to remind them of the amount owing, and to try and reach an agreement for payment. Doing this costs CT money, and CT can recover that by charging the account. While I'm not persuaded that all of the charges were fair and reasonable, most of them were.

CT has already refunded all charges prior to 2011, and in settlement of this complaint has offered to refund the rest of the charges on two of the three loan accounts. As this is in excess of any award against it I would have made, I consider this to be a fair and reasonable offer.

My final decision is therefore that I don't uphold this complaint. I simply leave it to Mr and Mrs M to accept CT's offer if they wish to do so.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs M either to accept or reject my decision before 21 February 2014.

Simon Pugh

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

In their response to the adjudicator's view, Mr and Mrs M made further complaints against CT relating to mis-selling of the loans and irresponsible lending. I haven't dealt with those in this decision, for the reasons the adjudicator gave in responding to Mr and Mrs M. Those complaints will need to be put to CT first and then brought to us in the usual way if Mr and Mrs M aren't satisfied with CT's response.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.