Financial Ombudsman Service

complaint

Mrs Y has complained that Clydesdale Financial Services Limited is charging her excessive interest.

background

Mrs Y bought a kitchen from a third party, using 'buy now pay later' finance from Clydesdale. She's explained she thought the first 12 months would be interest free, and interest would only accrue after that. This turned out not to be the case, as when she contacted Clydesdale later, it was charging 17 months' interest. She says she feels Clydesdale should waive this and give her time to pay the balance.

Our adjudicator didn't recommend that the complaint should be upheld. This was because she thought the finance agreement was clear, and that Mrs Y had received it.

Mrs Y disagreed, and says she didn't receive the finance agreement. The complaint's now been passed to me for my final decision.

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 agree with the adjudicator. This is because the agreement clearly sets out the amount repayable, including the interest. Mrs Y signed the agreement, and I can also see that Clydesdale sent a copy to her. I'm aware that Mrs Y has said she didn't receive it, but I still feel it was sent, as the correct email address was used. Also, I can't see that Mrs Y raised the issue when she signed the agreement. Because of this, I don't think Clydesdale has behaved unfairly.

That said, it's offered her £150 compensation for poor customer service when dealing with the complaint. I think this is fair.

I also note that Clydesdale has explained that the interest applies to the full term of the loan. If it's settled early, Mrs Y would receive as interest rebate, as set out in the terms and conditions of the finance agreement.

my final decision

For the reasons given above, it's my final decision not to uphold this complaint. I make no award against Clydesdale Financial Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Y to accept or reject my decision before 19 February 2016.

Elspeth Wood
ombudsman