

complaint

Miss G complains that NRAM plc (formerly Northern Rock (Asset Management) plc) (NRAM) failed to allocate a payment to her secured loan account and failed to credit the correct amount of interest following its review of Consumer Credit Act loans. She said she had not received NRAM's policy about interest on unsecured loans in a debt management plan.

background

Miss G held a secured and unsecured loan with NRAM, the latter is part of a debt management plan. The payments she makes by phone each month are towards the secured loan and she said she was wrongly informed this was in arrears.

Miss G made a payment to her loan in January 2013 which NRAM has said it processed incorrectly leading to a delay in reaching her account. NRAM said it rectified its error and offered Miss G £50 compensation which she rejected.

NRAM wrote to Miss G saying it had reviewed communications with customers holding loans regulated under the Consumer Credit Act and said some of its information did not comply with the Act and refunded almost £3,000 of interest.

The adjudicator did not recommend that the complaint be upheld, saying Miss G had not always made payments on time and consequently arrears showed on the account. He said NRAM's policy towards unsecured loans was that it did not charge interest when a debt management plan was in operation and she had not been charged interest for these periods.

The adjudicator provided Miss G with statements of the transactions to her account, and said NRAM's offer of £50 for delayed processing of her card payment was reasonable.

Miss G disagreed saying, that as she pays more than her monthly instalment it made no sense to say her late payments caused her to be in arrears on her secured loan, and this could only be because NRAM is not applying the payment correctly.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have looked at NRAM's handling of Miss G's account and can see that her January 2013 payment was credited to her account a month late. NRAM has backdated the payment and I am satisfied Miss G has not incurred additional interest. I consider its offer of £50 compensation to be reasonable.

I agree with the adjudicator that Miss G has on occasion made her payments late and this led to arrears on the account as shown on the statements the adjudicator has sent to her. Miss G has not specified which transactions on her account she is questioning and I have not seen anything to suggest NRAM has made any further errors, or that the balance of the account is incorrect.

I have looked at the review conducted by NRAM into its handling of Consumer Credit Act loans and I am satisfied it has correctly applied redress of interest charged for the poor communication of information to Miss G about the loan.

NRAM's policy towards loans within a debt management plan has been provided to Miss G and means that no interest was added to her unsecured loan when the arrangement applied.

I am pleased that Miss G has been able to clear the arrears that accrued when she was out of work, but I have not found that NRAM has handled her account unreasonably or in error. I trust that NRAM's offer of compensation remains open to Miss G should she wish to accept.

my final decision

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

Andrew Fraser
ombudsman