

## **complaint**

Mr B complains that NRAM plc refunded the last two payments he made on his loan account without telling him and then chased him for payment of the money outstanding on the account.

## **background**

Mr B says, as far as he was concerned, he'd made all the payments on the loan. In fact NRAM had refunded the last two payments totalling £344.09. Mr B wasn't aware of this, so he cancelled his direct debit.

NRAM and/or the agent it sold the debt to, chased M for payment of £354.09. This is said to be the two outstanding payments and £10 for the returned direct debit.

The adjudicator who looked at the case agreed that NRAM's handling of the refund had been confusing. He said NRAM should pay Mr B £75 for the trouble and upset this caused, as well as making sure that the problem hadn't affected Mr B's credit rating. NRAM agreed to this recommendation. But Mr B wanted NRAM to write off the debt which he said was down to an error in its internal systems.

## **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 accept that Mr B didn't realise that the money had been refunded to his account and only cancelled the direct debit because he thought the loan was fully paid off. It must have been an unpleasant shock for him to discover that he was being chased for payments he thought he'd already made. This meant he had to spend time trying to sort out the problem. So I think NRAM's error did cause Mr B quite a lot of upset and inconvenience.

However Mr B has had the use of the money which should have gone to clearing the amount outstanding on the loan. So I think it's fair and reasonable to ask him to make those payments. But I don't think he should have to pay the £10 administrative fee for the cancelled direct debit. I also think the payment for trouble and upset should take into account the time Mr B will need to spend sorting out repayment of the £344.09. So I propose to increase the award for trouble and upset to £100.

**my final decision**

I uphold the complaint. I require NRAM plc to pay Mr B £100 for trouble and upset and to waive any fee charged because he cancelled his direct debit.

NRAM plc should also ensure that, as long as Mr B pays the outstanding sum of £344.09 within 28 days of the date of this decision, any adverse information recorded on his credit reference files in relation to the loan account(s) is removed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 April 2016.

Melanie McDonald  
**ombudsman**