

complaint

Mr and Mrs B complain that Idem Capital Securities Limited (t/as Idem Servicing) did not treat them fairly when dealing with the repayment of arrears on their secured loan account.

background

Idem Servicing took over the loan account from a third party in May 2014. Mr and Mrs B are unhappy that it did not continue a payment arrangement in place with that third party. Instead they were unable to reach an agreement. They were contacted by a collection agent in calls and letters and a home visit was arranged.

The adjudicator did not recommend that Idem Servicing do any more than it had already which was to refund the fees relating to the home visit and pay Mr and Mrs B £50 in compensation. She said that:

- Idem Servicing had accepted that the home visit should have been cancelled.
- The payment arrangement with the third party had expired in April 2014.
- No replacement had been put in place before the transfer to Idem Servicing.
- It was reasonable for Idem Servicing to ask for information about Mr and Mrs B's income and expenditure.
- It was prepared to consider a payment arrangement.
- A statement it provided showed how the arrears position on the account had moved.

Mr and Mrs B did not agree and said, in summary, that the distress and inconvenience caused to them had not been taken into account. They said that the assessment of their complaint had been skewed in favour of Idem Servicing.

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 need to give a more detailed analysis of what happened so that I can explain how I assess this complaint.

Mr and Mrs B have been in arrears on their loan account since 2012. In January 2014 they agreed a payment plan to make four monthly payments of £244.82. They understood that this amount would repay arrears over the term of the loan if it continued. They made the first three payments but did not seem to make a payment in April 2014.

A letter about the payment plan from the third party said that their account would transfer to Idem Servicing from 30 May 2014 and that any existing payment arrangement would be honoured. There is no documentary evidence to show that any extension of this arrangement was made or that the third party carried out a further review. Mr and Mrs B said that there was a "tacit" agreement and verbal understanding that this would continue after a review. But, they had not made the April payment and then paid £100 to the account in May 2014. This is not consistent with them thinking that the arrangement would continue until further notice or that there would not need to be a review.

The case notes provided by Idem Servicing record that it asked them about their income and expenditure in June 2014. It gave them a breathing space period of 30 days. But, this did not prevent them making total loan payments of £420 that month and £216 in July. Idem

Servicing did not think that payments at the level of the previous payment plan were sustainable based on their income and expenditure information. It set a payment arrangement of £97 for two months. Mr and Mrs B did not make the second payment on time and the home visit was arranged. Mr and Mrs B contacted it when they received a letter about this, said that Mr B had been ill, and made a payment to their account. The home visit should have been cancelled but in error was not. Further information about their income and expenditure was requested. Mr and Mrs B have continued to make payments in line with the contractual monthly payment since then but have not discussed their income and expenditure and have pursued this complaint. During this period they have had further letters about the arrears

I appreciate that Mr and Mrs B are in financial difficulty. They had been pro-active in trying to address the arrears on their account. They had reached a payment arrangement with the previous third party. This was not renewed and, even if it had been, I am not clear that they could have kept to it throughout 2014. I can see that Idem Servicing had concerns about what was realistic for them to pay. It did not prevent them paying what they considered they could afford. It set a low requirement which they did not meet. The fees for the home visit have been refunded and they have been paid £50 in compensation. Based on my assessment of how the situation arose in the first place I do not consider that this is an unreasonable way to resolve the complaint.

I would expect Idem Servicing to treat Mr and Mrs B fairly. It is clearly prepared to consider a payment plan but I am afraid it will need to be able to discuss it with them.

my final decision

In light of the above, my decision is that I do not uphold this complaint in the sense that I do not consider Idem Capital Securities Limited (t/as Idem Servicing) need take any further action.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 10 July 2015.

Michael Crewe
ombudsman