

## **complaint**

Mr L complains about a regular monthly savings account with Cardiff and the Vale Credit Union Limited. His £25 monthly saving was to be taken through payroll and paid to the credit union for him. Only one savings payment was made. He complains that he planned to use the savings for Christmas and that the credit union should've made sure the savings were taken.

## **background**

Mr L set up a savings account with the credit union and agreed to make a regular monthly saving of £25. The payments were to be taken through payroll and paid by his employer to the credit union. The first payment was taken in February 2014 and shown on his payslip as a deduction. After that no further savings payments were taken from his pay.

The credit union didn't notice that Mr L wasn't making payments and didn't chase him or his employer for them. Nor did Mr L notice he wasn't paying.

Mr L contacted the credit union in October 2014 to take out some money. He was surprised to find that there was only £25 in the account. He complained that he'd suffered trouble and upset and then had to borrow money for Christmas. He wants compensation, plus the amount he would've saved up if payments had been made.

Mr L contacted his employer's payroll team. They investigated and told him that they'd made an error and marked a February 2014 end date on his payroll deduction. This meant no further payments were taken. They said it was totally their fault and they hadn't noticed until he contacted them.

Mr L says he suffered loss of the savings and the credit union should've said it wasn't getting payments. He says the leaflet he got when he opened the account said that once a regular payment is set up "there is nothing else required of you". Mr L thinks this means that the credit union should've noticed his savings payments were missing and chased him or his employer. He says this is part of his contract with the credit union.

The credit union says there is no contract to collect the saving payments. It also says it is not practical to chase savings payments and the mistake is down to Mr L's employer, not it.

Our adjudicator didn't uphold the complaint. He didn't think the credit union had made an error. The account was set up correctly and Mr L should've checked his payslips or logged in to check his balance online.

Mr L didn't accept that conclusion and asked for a review. He argues that his payslip is complicated and has many entries so it is difficult to notice if something is missing.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, while I'm sorry to disappoint Mr L, I've reached the same overall conclusions as the adjudicator for much the same reasons.

This is because:-

- I don't think that the statement that "there is nothing else to do" created a contract to ensure the payments were made. Mr L was free to change or stop his payments at any time and could've paid them in three other ways apart from through payroll deduction.
- I don't think it was practical for the credit union to check the payments were made.
- I have had a look at Mr L's payslips. They varied a lot so I can understand why he didn't notice the payments weren't made. But it wasn't the credit union's responsibility to check.
- Mr L didn't lose the £250 as it was paid to him in his pay, so he's already had the money.
- The mistake was Mr L's employers and not the credit union's, so I can't make the credit union responsible for someone else's mistake.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr L to accept or reject my decision before 18 May 2015.

Colette Bewley  
**ombudsman**