

complaint

Mr W complains that Evergreen Finance London Limited, trading as Moneyboat, made a mistake when it tried to collect a payment. Mr W says it led to embarrassment and financial loss.

Since this complaint has been with this service Mr W has complained about being harassed by Moneyboat in relation to its debt collection activities.

background and findings

I attach my provisional decision dated 12 November 2019, which forms part of this final decision and should be read with it. In it I explained that I did not need to consider the merits of the complaint as Moneyboat had accepted that it made a mistake and so that was, and is, undisputed.

I looked at whether I thought that the compensation offered by Moneyboat was enough for Mr W. And in my provisional decision I explained why I intended to uphold Mr W's complaint in part, and why I could not come to any conclusions on one aspect of Mr W's complaint due to lack of information from both parties.

Both parties had time to provide any further comments or evidence they may have had, and to send it to me by 26 November 2019 before I reached a further decision.

I have reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have considered the law, any relevant regulatory rules and good industry practice at the time the loans were offered.

As I have not been sent anything additional for me to consider, either from Mr W or Moneyboat, then I see no reason to alter the conclusions I reached in my provisional decision on 12 November 2019. This is attached to this Final Decision and so those conclusions are set out in it.

putting things right

I understand that this loan has been passed to third party debt collectors quite recently but Moneyboat still owns the debt.

Moneyboat needs to put things right by removing all unpaid interest and charges on this loan (including any that a third-party debt collector may have added) and making good its original offer that the principal amount of £200 only be repaid by Mr W.

Mr W has already paid some money towards this loan which should be calculated as credits to his loan account, and any outstanding balance ought to be repaid by Mr W. Repayment ought to be by way of a mutually agreeable repayment plan unless Mr W is able to repay the full amount in one payment.

I remind Moneyboat for the need to treat Mr W fairly and sympathetically if he is experiencing any financial difficulties.

I would expect Moneyboat to amend Mr W's credit file to remove any adverse payment details which may have been added and once the loan has been repaid that it be reported in the usual way as settled.

my final decision

My final decision is that I uphold Mr W's complaint in part, and I direct that Evergreen Finance London Limited, trading as Moneyboat, do as I have directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 January 2020.

Rachael Williams
ombudsman

my provisional decision dated 12 November 2019

background

Mr W had a loan with Moneyboat. In November 2017 it was paid off using a different card to the one he usually used. Mr W has explained that card was linked to the joint account with his partner.

In early 2018 Mr W took another loan for £200 and on 28 February 2018 one payment was taken from the card linked with the joint account instead of the one he had given Moneyboat which was linked to his personal account. Mr W's partner noticed, raised it with Mr W and consequences followed which Mr W says has caused him embarrassment and financial loss.

Moneyboat has admitted that the mistake was made and has apologised in writing, given an explanation and has confirmed that the debit card details linked to the joint account have been removed from its system. Moneyboat offered to resolve the complaint by reducing Mr W's balance. That equated to a reduction of just over £77. It said in its final response letter in May 2018:

*As such, I am offering to reduce your outstanding balance from **£188.79** to **£111.41**, which will ensure that you only repay the amount that you borrowed in February 2018 with no additional interest. I can confirm that you are also able to repay this amount over numerous monthly instalments if you do not wish to clear it in one repayment.*

I believe the above to be fair based on the error that we made, and I do not consider it reasonable to charge you interest on this loan for this purpose.

Mr W did not accept that and brought his complaint here. He has explained that his partner was very upset and would not let him stay in her accommodation. Mr W says this meant that he incurred alternative accommodation costs, and this caused him stress and inconvenience. It resulted in him needing to take 'time off sick from work' and he incurred expenses from travelling to a hospital for some treatment.

Mr W brought his complaint here asking for the balance of the loan to be written off and asking for compensation for the costs of the hotel, time off work and travel.

One of our adjudicators looked at it and accepted Mr W's explanation that it cost him embarrassment and distress. She thought that Moneyboat should write off the outstanding balance on the loan to compensate him fully.

Mr W has told us in April 2019 that he felt that Moneyboat was harassing him in the way it was chasing him for the debt. So, our adjudicator wrote to Moneyboat asking for its response to her view from February 2019 and asking it to respond as soon as possible as Mr W was being repeatedly chased for payments.

Moneyboat apologised for not responding earlier and asked for some evidence of the additional cost claim Mr W had made. It says that during the complaint correspondence with it in 2018 these additional costs were never raised.

Moneyboat made no mention of the fact it was chasing Mr W for the outstanding debt.

Our adjudicator's second view was to explain to Moneyboat that her recommendation that the balance be written off was for the distress and inconvenience not for the direct repayment of Mr W's claimed costs.

The complaint was unresolved and has been passed to me.

my provisional 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 considered the law, any relevant regulatory rules and good industry practice at the time.

compensating Mr W for the mistake by Moneyboat

I do not need to consider the merits of the complaint as Moneyboat has accepted that it made a mistake and so that is undisputed. I have looked at whether I think that the recompense offered by Moneyboat was enough for Mr W.

On balance I think that it was. I will explain why.

It would not be a reasonably foreseeable consequence of Moneyboat's mistake that Mr W's partner would react in such a way that Mr W would need to arrange alternative accommodation. The costs of a hotel, travel to hospitals and costs Mr W says he has incurred for taking time off work are too remote for me to think that these were able to be appropriate redress.

I think that for a mistake such as this where Moneyboat has accepted that it would have caused Mr W trouble and upset, the compensation offer was adequate and proportionate. Moneyboat has, effectively, made his February 2018 £200 loan interest free.

So, I do not agree that the correct redress is for the loan principal to be written off. Mr W will have had the benefit of that £200 and it would be disproportionate for Moneyboat not to receive it back.

Unless I receive anything further, I plan to uphold Mr W's complaint about the mistake Moneyboat made and I endorse Moneyboat's original offer. Due to the passage of time, in order to honour the original offer, it may lead to more of a reduction than the £77 which was calculated in May 2018.

debt collection

On the point that Mr W has felt that he was being harassed by Moneyboat for the debt then I do not have very much on this.

From Mr W I have one copy email from him dated 21 March 2019 asking a Moneyboat representative to stop contacting him. I have listened to a call Mr W had with one of our adjudicators on 9 May 2019 in which he describes being chased by Moneyboat by letter and he had received calls at work. I have also listened to the call Mr W made to us on 29 October 2019 saying that the debt had been passed to a third-party debt collection agency. He wished to add this to his complaint against Moneyboat.

Moneyboat has confirmed that the debt was passed to a collector on 22 October 2019. Apart from that I have not seen anything from Moneyboat about this part of Mr W's complaint. It was given a chance to respond about the debt chasing when our adjudicator wrote to it in May 2019. She said:

In addition, [Mr W] has been in touch to advise that he is being repeatedly chased for payments. Can you please look into this and provide me with an update as soon as possible, and no later than 13 May 2019?

Moneyboat did respond about the main complaint, but not in relation to the chasing of the debt.

As this is a provisional decision, if either party can send to me more on this point I can come to some conclusions. But at the moment, I do not have enough to uphold Mr W's complaint about this.

putting things right

I understand that this loan has been passed to third party debt collectors recently but Moneyboat still owns the debt.

So, I am planning to ask that Moneyboat puts things right by removing all unpaid interest and charges on this loan (including any that a third-party debt collector may have added) and making good its original offer that the principal amount of £200 only be repaid.

Mr W has already paid some money towards this loan which should be calculated as credits to his loan account, and any outstanding balance ought to be repaid by Mr W. Repayment ought to be by way of a mutually agreeable repayment plan unless Mr W is able to repay the full amount in one payment.

I would expect Moneyboat to amend Mr W's credit file to remove any adverse payment details which may have been added and once the loan has been repaid that it be reported in the usual way as settled.

end of extract