

## **complaint**

Ms A complains that Waterside Credit Union Limited failed to provide her father with receipts when loan repayments were made; failed to give her a copy of her statement of account when asked; and insisted that payments went to interest before reducing the loan balance. She is also unhappy information was provided to Stubbs Gazette.

Ms A is being assisted in her complaint by her father, Mr A.

## **background**

Ms A had existing borrowing with Waterside of £7,908.32 when she wanted additional borrowing of £1,000 in August 2017. This was agreed and repayments were £100 every fortnight for 115 fortnights. Ms A missed some repayments and as she was unable to make further payments, Mr A made five payments in 2018:

- £100 on 31 March 2018
- £100 3 July 2018
- £100 21 July 2018
- £100 25 August 2018
- £100 1 September 2018

Mr A then made a payment of £7,956.75 intended to clear the loan balance. But as Ms A hadn't been making her repayments every fortnight, interest remained outstanding of £146.73. Ms A has refused to pay this as she doesn't think it fair that the payments her father made repaid interest instead of the capital borrowed. She complained about that and because Waterside refused to provide receipts or a statement when asked for. Waterside didn't uphold her complaint. It was satisfied payments had been allocated as per its usual process; a statement had been provided and receipts were offered but declined.

Not happy Ms A asked us to look into her complaint. Our investigator concluded Waterside hadn't done anything wrong. He was satisfied the payments had been allocated as per its usual process and any decision to accept the large lump to repay the credit before the interest was discretionary. He was satisfied Mr A was likely offered receipts and that Ms A was provided with a statement. He also concluded Ms A's account wasn't reported to Stubbs Gazette but Waterside used its debt recovery service.

Ms A has asked for the matter to be referred to an ombudsman. She said the statement of account wasn't provided until a meeting on 26 October but it was originally requested in September 2018. Had it been supplied when asked for the balance of the loan would have been repaid sooner without interest outstanding. She also says her father wasn't offered receipts because of Data Protection but feels they should have been offered to her.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I don't uphold this complaint. I explain why below.

Ms A's loan has an APR of 12.72% just over 1% a month – typical of credit union lending. And interest is charged on the outstanding balance of the account, which can be a cheaper way of borrowing.

Ms A had missed a number of repayments when Mr A made some for her and those payments weren't made when due (every fortnight). That meant interest accrued on the account. So when Mr A made the payments they went to interest first. I understand this is generally how repayments are allocated on credit union loans and so I don't find Waterside was wrong to allocate payments in the way it did.

I accept when Mr A paid £7,956.75 that the payment went to the outstanding balance first, but this was agreed on a discretionary basis and so I don't ask it to do anything differently now.

Ms A is unhappy that she wasn't provided with a statement when asked and that her father wasn't given receipts. Both parties have provided different versions of events about who asked for what and when. But as Mr A isn't the account holder, and Ms A hadn't given any authority for information about the account to be given to him, then I don't find Waterside was wrong to refuse Mr A information.

As I understand it Ms A signed up for on-line access to her account. So had she wanted a statement of account or to ensure payments had been applied she could have obtained this information on-line (even if she couldn't download it). So even if I accept that Waterside should have done more with regards to providing account information, I'm satisfied Ms A had access to this herself. I'm therefore satisfied she could have repaid the loan earlier in any event. Because of that I don't find Waterside should forgo the interest still owing on the account. And as it's a balance outstanding I don't find was wrong for it to write to her about that.

### **my final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 13 July 2019.

Claire Hopkins  
**ombudsman**