

complaint

Miss D complains that Marlin Financial Services Limited did not tell her that it received overpayments on her account. It then refunded the money to her debt management company, despite the fact that she asked it to send the money to her.

background

Miss D was making payments to Marlin through a debt management company. She continued to make the payments through the company even after the account was settled. She overpaid £486.05. She first notified Marlin of the overpayments in July 2014, but the money was not refunded until October 2014. Miss D was told the money would be refunded to her and she provided her bank details, but it was sent direct to the debt management company. Further, she had to chase up the refund.

The adjudicator upheld the complaint. She thought Marlin should have acted more diligently and quickly to resolve the complaint. She recommended that Marlin pay Miss D £100 for distress and inconvenience, and 8% interest on the £486.05.

Marlin did not agree. It didn't think it should be penalised for paying money direct to the debt management company. It was simply following its policy of paying money back to where it came from.

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 agree with the adjudicator for much the same reasons. Miss D accepts that she didn't tell the debt management company that her account with Marlin was settled in April 2014. And so the debt management company continued to make payments. However, Marlin took until October 2014 to refund the money despite being told in late July about the overpayments. Further, it paid the money direct to the debt management company, despite Miss D providing her bank details and asking for the money to be sent to her. I note that Marlin says its policy is to refund money to the source, however, it never explained this to Miss D. This caused her distress and inconvenience. Further, I agree that Marlin should have acted quicker in dealing with the overpayment. For these reasons I uphold the complaint.

my final decision

My final decision is that I uphold this complaint and require Marlin Financial Services Limited to pay Miss D;

- £100 for distress and inconvenience.
- 8% simple statutory interest on £486.05 from the date of overpayment to the date of refund.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss D to accept or reject my decision before 13 April 2015.

Clare Hockney
ombudsman