

## **complaint**

Mr S is unhappy with the collections activity on his loan with Everyday Loans Limited.

## **background**

Mr S contacted Everyday Loans on 4 October 2017 – further to a complaint his professional representatives made about irresponsible lending. He asked for his account to be placed on hold until the matter is resolved.

Everyday Loans replied the next day. It confirmed that its branch would place his account on hold for 30 days, but interest would still accrue. And that it would contact his professional representatives about his concerns with the loan.

On 24 October 2017, Everyday Loans sent Mr S a 'notice of arrears' – which explained the amount Mr S was overdue on his loan.

On 26 October 2017, Mr S raised a complaint – because the letter said he was in arrears, but it was agreed that his account was on hold. Everyday Loans replied the same day and said it was completing its investigation into the concerns about irresponsible lending – and it would address Mr S's further points in its reply. It said it would send its reply to his representatives that day, and it asked if he wanted a copy too.

Mr S made a further complaint on 27 October 2017 – that Everyday Loans shouldn't have rolled his new complaint about the account being on hold into the existing complaint about irresponsible lending. And that it shouldn't have contacted his professional representatives about his new complaint.

Everyday Loans replied on 22 December 2017. It said Mr S gave authorisation for all his information to be shared with his representatives, and that he'd not asked for it to be dealt with separately. It pointed to its email which said it would address everything in one letter and explained that Mr S didn't object to this.

Mr S brought his concerns to our service. Our investigator didn't think Everyday Loans acted unfairly. Mr S didn't agree, so the case has been passed to me to make a final decision.

## **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've decided not to uphold Mr S's complaint.

Mr S told us he was called when Everyday Loans said his account was on hold. I've looked at Everyday Loans' records of the contact it had with him. There's a note from 5 October 2017 which confirmed the account was on hold, and the next note from collections is on 9 November 2017 – over 30 days later. Neither side have been able to produce any further evidence. So, with the information I've got, I don't think Everyday Loans phoned him when it shouldn't have done.

I accept Mr S was sent a letter when his account was on hold. But regardless of whether the account was on hold, Mr S was in arrears. And in the circumstances, Everyday Loans had a legal obligation to send a notice about that – under the *Consumer Credit Act 1974*. While I

recognise Mr S didn't want to be contacted at all, I can't expect Everyday Loans to break the law, in order to meet its agreement with Mr S.

It might have been helpful if Everyday Loans warned him about the letter beforehand. But I don't think that's enough to say that it acted unfairly – or that it would've significantly changed things for Mr S. Ultimately, even with this letter, I think Mr S was still given some breathing space – in terms of being chased for repayments.

I understand Mr S is also unhappy with how Everyday Loans handled his complaint. He doesn't think Everyday Loans should've looked at this complaint with his existing one and replied to his representatives about the matter. Having looked at the emails from the time, I don't think what happened was unreasonable – this new complaint came about in the course of his existing one. And in any event, I can't see this had a material impact on Mr S. He'd already agreed for his representatives to receive all his personal information, through a data subject access request. And if anything, it meant he received a reply sooner than if it had been logged as a new complaint.

He's also said Everyday Loans lied in its response to the complaint to say that no arrangement existed. The letter explained there wasn't an arrangement that payments wouldn't be required until the complaint is resolved. I agree with that – because the account was only placed on hold for 30 days. Everyday Loans could've been clearer about the arrangement that was in place. But even if it had been, it's difficult to see that would've made a big difference to Mr S.

To be clear, our service isn't here to punish Everyday Loans. So even if Everyday Loans had made mistakes, it doesn't automatically follow that I'd award compensation. Instead, I'd need to look at what that actually meant to Mr S – to decide what, if any, compensation would be fair.

### **my final decision**

For the reasons I've explained, I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 July 2018.

Emma Szkolar  
**ombudsman**