

complaint

Mr C complains that Capital Credit Union Limited continued to take payments direct from his payroll without his knowledge after he cancelled a loan application. He says this caused him financial difficulties.

background

Mr C took out membership with Capital Credit Union in October 2016 in order to apply for a loan. It was agreed he would pay £110 per month, £95 of which would pay off the loan and £15 of which would go into a savings account set up as part of his membership. The payments would go straight out of his payroll. Mr C decided not to go ahead with the loan application in the end but the payments were still taken from his payroll. Because he didn't take out the loan, the full amount went into his savings account.

Mr C didn't realise the payments would go ahead without the loan and didn't notice this was happening until he found himself in financial difficulties. He complained to Capital Credit Union but it rejected his complaint so he came to this service. Our investigator didn't think the complaint should be upheld. He said Mr C agreed to the terms and conditions and applied for the membership on a separate call. Because Mr C had access to the funds at all times, he didn't think Capital Credit Union had done anything wrong.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm satisfied Mr C did call to take out membership with Capital Credit Union. As the loan didn't go ahead, the full payment went into a savings account that Mr C had access to in accordance with the terms and conditions. Although the money was taken from his payroll, it was always available to Mr C. I understand he didn't notice the money going out and I can see it's caused him some difficulty. But he could've checked his payslips earlier and I don't think Capital Credit Union did anything wrong in this case.

my final decision

For the reasons given above, it's my final decision that this complaint is not upheld. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 July 2017.

Susie Alegre
ombudsman