

## **complaint**

Ms P complains that Idem Capital Securities Limited ('Idem') is unfairly relying on the terms of a loan agreement which fail to make clear how the settlement figure would be calculated.

Ms P says this has caused her great financial difficulty.

## **background**

Idem didn't uphold Ms P's complaint. It explained it had taken over the loan agreement she'd had with a third party, and interest had been applied on her account in line with the terms and conditions of the agreement she'd signed up to.

Our adjudicator didn't recommend upholding the complaint on the basis that Idem had provided a fair and reasonable response.

Ms P disagrees. She feels our adjudicator has missed the point of her complaint. So the complaint has been referred to me.

## **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 sympathise with Ms P and I can understand she's anxious about her money situation.

Ms P is worried that the adjudicator hasn't understood her complaint – and she doesn't think her concerns have been properly investigated. So I'd like to make it clear that I've looked through everything and come to an independent view in reaching my decision. But, I'm not persuaded I can fairly and reasonably uphold Ms P's complaint. I'll explain why.

I've taken as my starting point that Ms P says her complaint is about the way that the loan is repaid which isn't clear on the loan agreement.

In order to uphold Ms P's complaint, I'd need to find that Idem has acted wrongly, unfairly or unreasonably. So I've looked carefully at what Idem has done.

It didn't originally sell this loan to Ms P so I'm not looking here at the circumstances of the sale. But I can confirm that Idem are regulated – so this service is able to look into Ms P's complaint about Idem.

Idem took the loan over in line with provisions in the loan agreement that allowed this to happen. So I think it's fair to say Idem is entitled to expect Ms P to comply with the terms and conditions of the agreement she entered into.

And, as far as I can see, the way the loan amounts are calculated is covered in the terms and conditions. Idem explained to Ms P that, when she doesn't pay the full monthly contractual payment, the outstanding balance increases. The interest charged is adjusted accordingly. Idem confirmed the current balance on Ms P's account.

I can see that the loan has turned out to be very expensive for Ms P. But I'm not persuaded this is a reason I can fairly uphold a complaint against Idem. Based on the information I've seen, it doesn't seem to me that Idem has acted incorrectly.

Lenders must treat customers in financial difficulty fairly. In Ms P's situation I'd expect Idem to look carefully at her financial position before taking any action on the loan account. That's still the case, even if she's in breach of her contractual obligation to make the agreed monthly repayments. And it looks to me as if this was done. Idem told Ms P that it isn't its practice to pursue recovery from customers who are simply unable to meet their contractual liabilities. It said there's a variety of methods it can adopt to find a satisfactory solution. Idem invited Ms P to supply details of her income and expenditure so it could assess her situation. So I can't say Idem didn't treat Ms P fairly and reasonably.

In coming to my decision, I've taken into account everything Ms P has said, including what she's told us about information that's available on the internet. And I understand that Ms P doesn't think the way her loan is structured is fair – and she's especially worried that she's tied in to the loan until after she retires. We can't deal with wider concerns about the way this sort of loan operates. That's because we aren't a regulator. But I can see the loan does allow for early repayment – although I appreciate this mightn't be especially helpful in Ms P's situation. So, whilst I'm sorry to disappoint Ms P, I find Idem hasn't done anything wrong, and it's response to Ms P's complaint is fair and reasonable.

I may not have addressed every point mentioned by Ms P – but I've covered all the points that make a difference to the outcome. I hope this approach has been useful in helping to explain the reasons for my decision. I'd encourage Ms P to speak to Idem about her financial position. Lenders have a continuing obligation to respond sympathetically and constructively to a customer in financial difficulty. We can give Ms P details of organisations able to provide free advice and assistance to help manage money problems if she'd like us to.

### **my final decision**

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 13 November 2015.

Susan Webb  
**ombudsman**