

complaint

Miss B complains that Santander Cards UK Limited is chasing her for payment on an item that she returned to the supplier due to it being faulty.

background

In 2008, Miss B acquired items of furniture using a fixed sum loan agreement. On delivery of the items one was damaged. This item was returned. Miss B says that despite the item being returned in 2008 she is still being pursued for payment. She says she maintained her payments under the agreement in order to pay for the items she did not return. She says she has paid more than was required for these items.

Santander Cards accepts that Miss B returned an item and that it appeared that the remaining balance after this was £600.04. It says that Miss B was told at the time that she would need to contact the supplier and set up a new credit agreement but she did not do this. It says that when Miss B complained in 2010 it also explained that she would need to contact the supplier. Santander Cards says that as the new agreement was not set up it was not made aware of the new balance and therefore did not do anything wrong by recording information on her credit file and pursuing her for payment.

The adjudicator said that Miss B had returned one item of furniture and had overpaid for the remaining items. She said that Santander Cards should stop chasing Miss B for the outstanding balance and refund her the overpaid amount plus interest. She also said that Santander Cards should pay Miss B £150 compensation for the trouble and upset this issue had caused.

Miss B says that she tried to resolve this issue with the supplier in 2008 but this was unsuccessful. She says that in 2010 she had already paid the amount she owed under the agreement and given her issues with the supplier she did not wish to set up a new agreement.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It is not disputed that Miss B returned one of the items of furniture she acquired in 2008 due to this being faulty. Based on the evidence I have this left a balance outstanding on her agreement of just over £600. Miss B maintained her payments under the agreement and in total paid more than the outstanding amount. Based on this I find it reasonable that she is refunded her overpayment and that she is not chased for any further payments.

Santander Cards says that this issue would have been resolved without any adverse information being added to Miss B's credit file and with her account being updated with the correct outstanding balance if she had contacted the supplier in 2008 and set up a new agreement. I accept that if this had happened Miss B's outstanding balance would have been reduced and the issue could have been avoided.

However, I also accept that Miss B was in contact with the supplier at the time and that she was unable to resolve the issue. In 2010 when Santander Cards told her she would need to set up a new agreement Miss B had already paid more than the amount she owed so I can understand why she did not wish to set up a new agreement.

I accept that a new agreement was not set up but I still find it reasonable that more should have been done to ensure that the refund from the returned furniture was reflected on Miss B's account.

On balance, I find it reasonable that Miss B is only required to pay the amount due for the goods she kept. Because she maintained her payments until this amount (and more) had been paid I find that any adverse information recorded on her credit file in regard to this account should be removed. The account should also be marked as settled in full from the date Miss B paid what was due for the items she kept.

This issue has caused Miss B trouble and upset over a long period of time. However I also accept that Miss B did not set up the new agreement. Based on this I find the £150 compensation recommended by the adjudicator fair and reasonable.

my final decision

My final decision is that I uphold this complaint. I require Santander Cards UK Limited to:

- refund Miss B the overpayment of £66.68 plus 8% interest from the payment date to the settlement date;
- stop chasing Miss B for any further payments;
- remove any adverse information from Miss B's credit file and mark the account as settled; and
- pay Miss B £150 compensation for the trouble and upset she had been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 8 April 2016.

Jane Archer
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