

complaint

Mrs A complains that Credit Solutions Limited gave her conflicting advice on the amount she would need to pay to settle an outstanding debt.

background

Mrs A had an outstanding balance on a credit card. The card provider passed the debt to Credit Solutions.

Mrs A was expecting a payment of £1,400 from the card provider in respect of a payment protection insurance (PPI) claim she had made against it. She phoned Credit Solutions in September 2011 and was told that it would accept a partial payment of the debt to settle it. The advisor suggested a settlement figure, but Mrs A was not able to agree to this sum.

Mrs A phoned Credit Solutions again in November 2011. Mrs A was told that she may be able to use the PPI payment to settle the account in full. The advisor called Mrs A back to tell her that he had made a mistake and this was not possible, but the payment could be used to reduce the debt.

The adjudicator recommended that the complaint should be upheld. She considered that Mrs A had been given conflicting advice about the payment needed to clear the account in full. The adjudicator recommended that Credit Solutions pay Mrs A £150 compensation for any distress and inconvenience caused by the conflicting advice she had received.

Credit Solutions is happy to pay £150 for any confusion caused to Mrs A.

Mrs A is not willing to accept this offer of compensation. Further, Mrs A would like Credit Solutions to accept her payment as full, rather than partial, settlement of the balance due.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mrs A was advised by Credit Solutions, during a phone call in November 2011, that she may be able to use her PPI refund to pay off her outstanding debt in full. This was incorrect. The advisor realised his mistake and called Mrs A back to explain that the payment could only be used to reduce, rather than settle, the debt. I am satisfied that the incorrect advice was changed quickly, so that Mrs A was aware that her PPI refund would not be paying off her balance in full. I consider that £150 is appropriate compensation for any distress and inconvenience caused to Mrs A by the initial incorrect advice.

Mrs A says that Credit Solutions should be required to write off the balance of her debt as it originally advised it could do. As I have said above, this assurance was wrong and was corrected shortly after it was given. I do not consider that it would be fair for me to insist that Credit Solutions has to follow its mistaken advice and write off the debt.

I note that the debt has been passed back to the credit card provider. Any future repayment discussions will need to be with the provider.

my final decision

My decision is that Credit Solutions Limited should pay Mrs A £150 as it has offered to do.

Rosemary Lloyd
ombudsman