

## **The complaint**

Mrs C has complained that Provident Personal Credit Limited, trading as Satsuma Loans (“Satsuma”), didn’t treat her fairly. Mrs C said Satsuma had not acted within the regulator’s guidelines. It should have sent her letters updating her of her account arrears and it passed on sensitive information to a third party. Mrs C is also unhappy about the customer service she received and says she was misinformed when she contacted the business. Mrs C is dissatisfied with the offer Satsuma has made.

## **What happened**

Mrs C complained to Satsuma. She had previously taken two short-term loans with Satsuma, one of which was still outstanding as Mrs C had struggled with the repayments because her circumstances had changed.

In response to her complaint, Satsuma agreed to write off the interest amounting to £129.26 on her outstanding loan. It also explained the outstanding loan had been passed to a debt collection agency but was passed back to Satsuma and it advised that in order for it to give appropriate support to its customers, some sensitive information has to be noted.

It also agreed that it hadn’t sent Mrs C the regulatory letters it was required to do in order to keep Mrs C updated about her account. It upheld that element of her complaint.

It was unable to identify any poor customer service but recognised that Mrs C would not have raised it as an issue unless she was concerned. So, it apologised for any distress and inconvenience caused to Mrs C. It offered a £30.00 reduction of the balance of her account.

As well as writing off the interest it also said it would write off the remaining outstanding capital due of £254.89 so that Mrs C’s balance was reduced to zero. It also offered to remove any adverse information recorded on Mrs C’s credit file about the loan.

Our adjudicator didn’t uphold the complaint. They thought that Satsuma had recognised the errors that had occurred and had both apologised and offered compensation in the form of writing off the outstanding balance. They thought Satsuma had acted fairly and wouldn’t ask it to do anything more.

In response to the adjudicator’s assessment Mrs C said her mental health had been severely affected by the actions of Satsuma and that the resolution offered wasn’t enough. She had been caused a lot of stress and anxiety for the delays caused by Satsuma not providing this service with information promptly and wanted to be compensated further because of this.

Mrs C wanted the complaint to be looked at again by an ombudsman, so it has been passed to me.

## **What I’ve decided – and why**

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

Mrs C has said she is not satisfied with the offer made by Satsuma and wants further compensation because of the stress and anxiety she has been caused. So, I've reviewed what Satsuma has already offered and whether I think that is fair under the particular circumstances of this complaint.

Satsuma has recognised that it did not send the regulatory letters it was required to do to keep Mrs C updated with the arrears on her account. Because of this it upheld this part of Mrs C's complaint.

It explained the necessity of passing on some sensitive customer information in order to manage a customer's account appropriately and I don't think this is unreasonable.

Satsuma also apologised for any poor customer service Mrs C may have received for which it offered a reduction in her outstanding balance of £30 for any distress and inconvenience it had caused. I think this offer is fair.

On top of this Satsuma has offered to write off both the interest and the outstanding capital on Mrs C's loan. It has also offered to remove any negative information about the lending from her credit file.

I am sorry to hear that Mrs C has suffered with anxiety and her mental health has been affected. But in any relationship between a consumer and a financial business errors and dissatisfaction can and do arise. And when that happens, we would expect the business to treat the consumer fairly to resolve the complaint.

And while I appreciate responses from Satsuma were sometimes delayed, it has complied with all of our requests for information. And from that information we have everything necessary in order to assess Mrs C's complaint.

After reviewing the errors that occurred on Mrs C's account and Satsuma's recognition of those errors, I think Satsuma has done enough and its offer to Mrs C is fair. It has apologised where it has identified failings and has also reduced the balance on Mrs C's account to zero. She owes nothing more to Satsuma. And I've also borne in mind that Mrs C has had use of the money she borrowed and will not have to repay it. Mrs C's credit file won't show any negative information about the outstanding loan. So, I hope for Mrs C that she can now draw a line under her relationship with Satsuma.

I think what Satsuma has offered as compensation and the apologies made is fair and I won't be asking it to do anything more. The offer made by Satsuma is still open to Mrs C and she needs to decide if she wants to accept it.

### **My final decision**

For the reasons given above, I'm satisfied that Satsuma's offer of redress is fair. I won't be asking it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 21 October 2020.

Catherine Langley  
**Ombudsman**