

The complaint

Miss F complains that she does not think that Provident Personal Credit Limited, trading as Satsuma, should charge her interest on an approved loan as she was denied the opportunity to cancel that loan. Miss F says that she did not sign or approve the contract at the point of sale, and did not receive a copy of that agreement.

Miss F also complains about the entries on her credit file relating to this loan.

What happened

On Sunday 15 September 2019 Miss F applied for a £1,000 Satsuma loan and she says she was about to finish the transaction when the Satsuma website or her mobile telephone device through which she was making the application, 'crashed', meaning she could not continue on that website any longer. Miss F explained that when she had '*got to the agreement page*' stage an 'error' message of some sort appeared. She was not sure whether the transaction had gone through and described how she decided to leave it altogether.

The next day £1,000 was credited to her bank account from Satsuma. On 25 September 2019, nine days later, a significant life event took place and she did not do anything more. A few days after that, on 30 September 2019, Miss F had tried to register an account or log-in to the account on Satsuma's website and she was not able to log-in and/or the website did not recognise her as a customer. Miss F raised her complaint with Satsuma in late November 2019 after receiving letters to her home asking for payment following the first instalment not being paid (due 2 November 2019). Part of Miss F's first complaint email was to say that she had never received a copy of the agreement and had missed the opportunity to cancel it and '*Therefore, I am asking for the interest to be wavered [sic] as I have not agreed to this conditions [sic].*'

Miss F has received three final responses (FRLs) from Satsuma in relation to these series of events surrounding this loan and all were received after Miss F had referred her complaint to this Service in January 2020. All three FRLs were considered by one of our adjudicators within this complaint. These FRLs give some details of the loan which was that the twelve monthly repayments were to be £166 each commencing 2 November 2019.

Satsuma says that the £1,000 would not have been issued if Miss F had not signed the agreement and agreed to the terms and conditions. It produced a signed copy. It says evidence of the terms of the agreement were emailed to Miss F on 15 September 2019. Later it transpires that this may have been sent to another person and not Miss F.

Miss F has described in detail about trying to contact Satsuma, trying to make payments and noticing issues and problems along the way. She says she has been concerned and inconvenienced by it all. Later, Miss F explained to Satsuma that she never authorised the loan and the error was Satsuma's fault. Miss F also explains that she never received a copy of the agreement on 15 September 2019 and if she had she said: *'I would have contacted you sooner and returned the £1000 funds immediately to avoid this nightmare.'*

Miss F has always accepted that she needed to repay the £1,000. Miss F repaid the £1,000 plus about £660 interest on 13 March 2020. It was a reduced interest sum as the loan was repaid with an early settlement balance. Miss F's credit file has been amended. Miss F has been offered and/or paid £150 and £50 balance reduction to recompense her. Our adjudicator thought that Satsuma need not do more: it had admitted its errors and recompensed her and corrected her credit file.

Miss F was not satisfied and says that because she was never sent and/or received a copy of the agreement then she was not able to cancel it and so she ought not have to repay the interest. So, she is asking for a refund of the interest as the loan has already been paid by Miss F.

The complaint was passed to me for a decision. On 11 January 2021 I issued a provisional decision and those provisional findings, and what I was planning to ask Satsuma to do to put things right, are set out in the next section of this decision. Both parties had until 10 February 2021 to respond to it. I address what each party has said in the main part of my decision.

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.

What my provisional findings were in my provisional decision dated 11 January 2021

I have taken time to summarise the history and the current position in the 'what happened' part of this decision. Both parties are aware of the chronological time-lines of the events and so I do not set out all the dates here.

This loan application seems to have taken place when a series of unfortunate events all seemed to occur around the time that Miss F made the application. The important points to note are that during the time Miss F's complaint has been with this Service, the complaint and Satsuma's position in relation to it have developed and altered.

As matters are now, Satsuma accepts that something did happen and go wrong in relation to its website on Sunday 15 September 2019. The application was, essentially, completed but no notifications were sent to Miss F. And it accepts that different email and contact details were auto-filled into some of Miss F's personal information sections of the account she would have created when applying for the loan. This meant that Miss F was credited with the monies but no notifications were sent to her but were likely sent to a third party unknown to her. Following that, the arrears letters were sent to her home, but Satsuma has referred to the fact that contact was made to that other email address and other telephone number in relation to this loan when chasing for repayment. And it may be that the original agreement was sent to that other email address too.

I have seen and read that Satsuma has issued three FRLs and has offered a £50 balance reduction in the second FRL and a £150 cash payment to Miss F in the third FRL, plus it has given explanations and concessions in both. And I have seen some account notes from around the time that Miss F was making contact to pay the loan off early – around late February 2020 - and in those notes there is reference to an 'odd' email address and the fact that this was not the one Miss F had given them and which Satsuma had been using since she had raised her complaint with it. That suggests to me that Satsuma was aware of this anomaly in late February 2020.

This dovetails with the second FRL dated 27 February 2020 in which Satsuma says that the reason for Miss F not being able to log on related to what it describes as 'historical registration' from an earlier loan application in June 2019. The 'historical details' (email and telephone number) were used and so Satsuma conceded that she had not been informed that the account had been activated and she had not been sent a copy of the credit agreement. And those email and phone number personal details (likely incorrect or out of date) were used to try to contact Miss F about the arrears. A £50 balance reduction plus amendment to the credit file was arranged for Miss F. I am not clear whether that £50 balance reduction was applied and I am proceeding with this provisional decision on the basis it was not.

I understand that Miss F may not have applied for a loan earlier in the year (June 2019) and so that casts doubt on the second FRL explanation. And the third FRL followed on from the Satsuma complaint handling team reviewing a recorded call between a Satsuma representative and Miss F in late February 2020, just before the second FRL. The additional call between Miss F and the Collections Department (to whom she was transferred to pay down the loan) was reviewed in the third FRL Satsuma accepted that it 'held a different email address for you'. And that third FRL accepted that errors were made by the complaints team.

I have not listened to the telephone calls to which Satsuma refers in its last FRL, and I have not requested them, as I know that a) these calls may take a very long time to be sent to me, and b) it's been accepted by Satsuma that it had the incorrect email address for Miss F and that she had not been sent the loan agreement in September 2019. As I am aware that Miss F is in need for this to be resolved I have chosen to proceed without listening to those calls. Satsuma is welcome to send them to me.

At the Ombudsman Service we are not able to determine if there has been a data breach under the General Data Protection Regulations (GDPR). And here Satsuma has upheld that part of her complaint in which Miss F described being unhappy that she had been provided details of another email address and telephone number which it held on its system about her. I am not able to determine data breaches, but considering Satsuma's concessions on several aspects, including the way that her complaint has been handled, then I do not need to address this. And this Service can assess the impact on the person complaining about any alleged data breaches. If Miss F wishes to receive a formal decision on the alleged data breach then she will need to address her concern to the Information Commissioner's Office (ICO) as it is the Information Commissioner who can determine that.

In the meantime, I welcome the concessions Satsuma has made but I think that these have come too late and the redress Miss F has been offered is too low. The third FRL concession was a year after Miss F first raised concerns. And the concerns raised by Miss F were justified and include the concern that information about her (including repayment chase-up emails and texts) had been going to the wrong person.

In relation to the point relating to Miss F saying that because she never received the copy agreement then she missed the opportunity to cancel the loan, then it does appear that Miss F was correct that she never received a copy of the loan agreement and so technically I think that she would have missed out on that cancellation or withdrawal opportunity. But equally the evidence does suggest that Miss F was aware of the credit into her bank account on 16 September 2019 and utilised her account several times between that date and the 30 September 2019 when she tried to log in.

The reality is that I am not able to judge whether Miss F would have cancelled as she said she would. So, I'd say, on the evidence I have now, that whether Miss F would have cancelled or withdrawn in September 2019 is in the balance.

But that still leaves me with the opportunity to recompense Miss F for the loss of opportunity and for that I think that an award of £350 seems fair and reasonable.

For this part of the complaint, my provisional decision is that Miss F did not receive the documents she ought to have received and I plan to award her £350 for the loss of opportunity to cancel/withdraw which ultimately cost her the contractual interest she was required to pay at that time.

Satsuma has said that Miss F's credit file has been amended. I have not seen a copy of it and so I'd expect it to have removed any negative payment information and for it to be marked as having been settled.

My provisional decision is that I accept that Miss F has suffered distress and inconvenience and I think that Miss F needs to be recompensed for several elements:

- *that Satsuma has conceded something happened with its systems and website to lead to incorrect details being on her account; and*
- *that she never received the agreement or notification of the account activation; and*
- *the concern upon learning that the wrong personal details may have led to information being sent to another person – and whether that's determined or not, I accept that this has caused her concern; and*
- *the poor complaint handling which Satsuma has accepted.*

I say this because the impact that Satsuma's mistake has had on Miss F has been explained to me, and I think it was a combination of distress, inconvenience, the complaint resolution being stretched unnecessarily over an extended time and having multiple reasons to complain as the months went by. And I think that this all could have been resolved in or around February 2020, but it took until November 2020 to be conceded and for the third FRL to offer a frank explanation following the correct internal investigation and a resolution.

So, my provisional decision is that I plan to uphold Miss F's complaint in part and I plan to award an amount for distress and inconvenience for the sum of £350.

And this £350 is to be net of the £150 payment already made to her, if it has been paid. If it's not been paid then Miss F needs to receive £350.

And as I said earlier in this provisional decision, I do not think that the £50 balance reduction offered in February 2020 was ever implemented. And the £350 figure I have provisionally decided to award reflects this.

So, the total amount I plan to award to Miss F is £350 plus £350 (net of the £150 cash paid to her if it has been). That's a total of £700.

How each party has responded to that provisional decision

When Miss F had read the full provisional decision, she emailed us to say that she had no further questions or concerns and she was happy with the decision made by the financial ombudsman.

For Satsuma its response originally looked a little ambiguous. Its response looked as though it may have been responding to the adjudicator's view from November 2020. We had asked for clarification and anything further to be sent by 10 February 2021. Nothing further has been sent and I have waited until 19 February to issue my final decision in order to provide Satsuma with a bit more time.

On closer inspection, Satsuma's response is an email dated 3 February 2021 and the wording is clearly referencing acceptance of 'our proposals' and that it will settle the complaint according to our view. And so, having given Satsuma additional time to reply, and having read its 3 February 2021 email carefully, I am satisfied that Satsuma has accepted what I have said in my provisional decision.

So, I have decided that as Miss F has been waiting for her resolution for some time, and for the reasons I have given above then I think its appropriate to issue my final decision so that she does not have to wait further.

As both parties seem to have accepted my provisional decision then I see no reason to depart from it and so for the same reasons explained in the provisional decision set out above, those become my final decision findings. Neither party has clarified with me whether Miss F had received £150 offered to her earlier, so that is reflected in the 'putting things right' section below.

I said in my provisional decision that I did not think that the £50 balance reduction was ever factored in for Miss F's benefit and as neither party has clarified it I make a finding that I do not think it was. My award reflects this.

Putting things right

Satsuma needs to do as follows:

- pay to Miss F £350 for the loss of opportunity to cancel/withdraw from the contract as she did not receive the documents she ought to have been sent - and this ultimately cost her the contractual interest she was required to pay at that time; and
- ensure Miss F's credit file is amended (if it's not been done already) so that no adverse entries in relation to this loan are on her credit file and that it is marked as 'settled'; and
- **in addition** to the above, Satsuma needs to pay to Miss F an award of £350 for distress and inconvenience. And this £350 is to take account of the £150 payment already made to her, if it has been paid. If that £150 has been paid to Miss F already, then Satsuma needs to pay an additional £200 to her, and if the original £150 offer has *not* been paid then Miss F needs to receive the full £350.

These payments need to be made to Miss F within 28 days of Miss F accepting this final decision if she chooses to accept it.

My final decision

My final decision is that I uphold Miss F's complaint in part and I direct that Provident Personal Credit Limited trading as Satsuma does as I have directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 18 March 2021.

Rachael Williams
Ombudsman