

## **The complaint**

Miss N complains about the way that Debt Managers (Services) Limited (DMSL) handled the collection of accounts in her name.

Miss N wants DMSL to compensate her for the impact the mistakes have had on her.

## **What happened**

In early 2021, DMSL bought some debts in Miss N's name. Due to a system error, DMSL sent Miss N notifications of late payment. As a result, DMSL took payments twice.

DMSL apologised for the mistake, refunded some money, and removed the late payment markers. But in August 2021, Miss N complained again as DMSL had reported more late payment markers on her credit file. DMSL said this was because Miss N hadn't kept up with her payment plan. DMSL initially declined to remove the late payment markers but has now done so.

The investigator recommended that Miss N's complaint be upheld. He thought that DMSL's mistakes had caused Miss N upset and inconvenience. He asked DMSL to pay Miss N £250 to put things right.

DMSL doesn't agree with the investigator's recommendation. It doesn't think it acted inappropriately as it had already apologised to Miss N, amended her credit file, and refunded some payments. DMSL points out that Miss N hasn't lost out financially.

## **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.

I don't think there's any dispute that DMSL made a mistake in the way that it handled the collection of Miss N's debts. So, my decision focusses on whether it's reasonable to require DMSL to compensate Miss N in line with the investigator's recommendation.

DMSL says that although there was a system error, it apologised and refunded money to Miss N. DMSL also says that apart from a delay due to correspondence backlogs, it responded promptly to Miss N's concerns. This may be correct but I don't think DMSL's response to the problem detracts from the upset that Miss N felt because of the mistakes made. In the circumstances, I consider it reasonable to award Miss N compensation to reflect the impact the mistakes had on her.

From reading the contact notes provided by DMSL, I can see that Miss N made multiple calls and dealt with emails over several months. It appears that despite issues over the payment plans, DMSL continued to report late payments on Miss N's credit file. This was upsetting for Miss N who says she was told by DMSL to hold off making payments while the issues were resolved. Miss N also says that she found it financially difficult when DMSL took double payments from her bank account even though they were eventually refunded.

I can appreciate the stress that Miss N felt during an extended period. She spent a considerable and sometimes frustrating amount of time in contact with DMSL. Overall, I agree with the investigator that a compensation payment of £250 is reasonable in the circumstances.

### **Putting things right**

To put things right Debt Managers (Services) Limited should pay Miss N £250.

### **My final decision**

My decision is that I uphold this complaint. In full and final settlement, I require Debt Managers (Services) Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 11 July 2022.

Gemma Bowen  
**Ombudsman**