

The complaint

Miss M complains that Morses Club PLC, to whom she owed money, was careless with her private information, recorded details she had asked them not to record and had caused her distress because of that.

What happened

From records sent to us by Morses, I have learnt some of the background to Miss M's relationship with Morses. Miss M was approved for a loan on 18 June 2021 and was paying quite regularly. Morses has told us that she still owes it about £375. The records indicate that Miss M started to get into arrears in mid-September 2021.

The account notes we have seen does indicate that on 29 September 2021 she informed Morses (and it was noted) that she had health issues, one of which was a long term condition requiring regular medication. Miss M was noted as a 'VC' which I take to mean Vulnerable Customer. Miss M had informed Morses she had rent arrears. Miss M had been getting advice from a high street advice service. Miss M's account was placed on hold for 30 days. Contact between Morses and Miss M re-started on 28 October 2021.

In June 2022 the account notes record a deterioration in Miss M's situation. I do not give any details here. Miss M acknowledged she had not paid towards the loan for a long time. Miss M indicated that she had felt harassed by the agent who was wanting payment and this was affecting her mental health.

Miss M had decided to complain about the loan being lent to her irresponsibly. The irresponsible lending complaint was a separate issue and I am not dealing with that here.

So, on 28 June 2022 a 'DNS' flag was added to her account plus she was removed from any marketing lists and the account was suspended for 30 days. The follow up call was on 29 July 2022. A further 30 day suspension was added to her account according to the notes.

On 23 August 2022 Miss M informed Morses that her condition was deteriorating further. Miss M said she was in arrears on priority bills. A Debt and Mental Health form (DMHEF) plus a blank income and expenditure (I&E) form was sent to Miss M on 24 August 2022.

On 2 September 2022 Morses was informed by Miss M that her health had deteriorated further. And it was this day that she complained on the telephone to Morses about her new number being added to the records and then being used by Morses to contact her. On 23 August 2022 she had asked Morses not to record that information or use it.

A 30 day suspension appears to have been added to the account on 2 September 2022 and on 21 September 2022 the account note indicates that a VC review was done. And it went on to say, '*no response to VCL- closed*'. Then a 'VCL1' was issued. Then on 3 October 2022 there was a follow up followed by '*VC 30 days hold*'. These seem to relate to Miss M's status as a vulnerable customer and shows that Morses was very aware of it on these dates.

The complaint final response letter (FRL) about the registering of her new telephone number without her consent was sent to Miss M on 15 October 2022 and Morses upheld that but did not consider any compensation was due. Morses confirmed that it had put things right. It said *'...I can confirm all telephone contact details have now been removed from your account.'*

Miss M referred her complaint about the telephone number and the way she's been treated to the Financial Ombudsman Service. One of our adjudicators looked at it and thought that £125 compensation was reasonable in the circumstances.

Morses had accepted with our adjudicator's view and had agreed to pay to Miss M £125 as compensation.

Miss M disagreed and sent us many submissions as to why she felt that more was warranted. I reviewed all her points.

The unresolved complaint was passed to me for a decision and on 7 June 2023 I issued a provisional decision giving reasons why I felt that the compensation level should be increased to £250.

Since then, and before the reply date deadline, both parties have agreed to this and so what follows is my decision in the same terms as my provisional decision but articulated as a final determination. I thank both parties for responding so quickly to my provisional 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.

I need not revisit whether her new telephone number was registered without her permission as Morses accepted that in its FRL in October 2022. What I am focussing on is whether any compensation is due and whether the £125 suggested by our adjudicator is enough. Morses agreed to the £125 compensation sum and so I take it from that it does not object to some compensation being paid over. And I say that because Morses has not given us reasons as to why it felt that no compensation was the right way forward – it has agreed to the £125.

So, it seems that all parties, including our adjudicator are all of the same view that some level of compensation is due to Miss M. The issue is the amount that Miss M is due in compensation.

I have reviewed all that Miss M has said, reviewed the Morses notes and its approach, reviewed the telephone calls and I decided that more than £125 is warranted in my provisional decision. I remain of that view. These are my reasons.

The facts I set out in the 'what happened' part of this decision was done in a more detailed way to what I would usually do, so that all parties were clear on the chronology of events. And this chronology of events demonstrates that there has been a history of Miss M having been upfront with Morses and informing it of her health. It has classed her as a vulnerable customer for some time.

Morses had first registered Miss M as a vulnerable customer in 2021 and that has been renewed or continued since then. It has suspended her account for 30 days several times. And clearly Miss M was, and is, taking advice from third parties who can offer help when customers are in financial difficulties and Morses knew about that. And Morses has not received any payments (or very little) for some time, so it was fully aware of her financial

troubles.

I see that it asked for a DMHEF and I&E to be completed by Miss M. I am unsure if they were completed and returned to Morses. But I need not see them. I am glad that Morses did send them to her to complete.

Overall, I think that the registering of her new telephone number was the last part of the history of events that Miss M could deal with. My view is that she had got herself a new telephone number precisely to keep herself insulated from the Morses' calls. I accept that being asked for money for the debt is a stressful situation to deal with. And so, the fact she did ask for the number not to be recorded on 23 August 2022 and still it was, and then it was used (Morses has accepted this), was pretty much 'the last straw' for her in my view.

And having read all I've read I think that a reasonable person overseeing the customer relations with Miss M, in the vulnerable state about which it had known for some time, then better care ought to have been taken. The registering and then using of her number without her consent was a further stressful event after a long period of upset.

Putting things right

So, I do not consider £125 to be enough. My decision is that a money award of £250 is the right amount to compensate Miss M for the distress and inconvenience caused by Morses since 23 August 2022. This figure takes into account the significance of registering that telephone number against her wishes within the context of the established lending relationship history. The £250 is to be paid to Miss M directly within 28 days of her formally accepting this final decision.

My final decision

My final decision is that I uphold Miss M's complaint and I plan to direct that Morses Club PLC pays to Miss M a money award of £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 13 July 2023.

Rachael Williams
Ombudsman