

The complaint

Miss M has complained that Blackpool, Fylde & Wyre Credit Union Limited, trading as CLEVR MONEY ("Clevr Money") provided Miss M with poor service in relation to loan arrears.

What happened

Miss M took out a loan with Clevr Money in November 2021. The amount borrowed was £7,500 and it was repayable by way of 60 monthly payments of £156.36.

Miss M contacted Clevr Money when she got into difficulty with meeting the repayments. She agreed a breathing space with Clevr Money that started in August 2022 and ended on 30 October 2022.

Miss M went on to agree a debt management plan with the help of a debt management adviser that began in December 2022.

Miss M says that when she contacted Clevr Money in December 2022, a representative told her that if she met six months of repayments they would reschedule the repayment term and remove it from showing arrears. Clevr Money's understanding of the complaint on the other hand is that Miss M had been told by a manager at Clevr Money that the arrears marker would be removed if she was able to make six months of repayments.

When Miss M started her complaint with Clevr Money in July 2023 it was six months in arrears.

Miss M says that Clevr Money is now refusing to do what it had agreed and would like additional compensation because of the way she's been treated.

Clevr Money has no record of the relevant communication with Miss M and doesn't keep recordings of its calls.

Our investigator didn't uphold the complaint. He said Clevr Money had acted fairly and didn't need to do anything more.

Miss M has disagreed with our investigator's opinion so the complaint 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.

We've set out our general approach to complaints about short-term lending - including all of the relevant rules, guidance and good industry practice - on our website.

I have seen that Clevr Money engaged with the debt management advisers initially but decided by the time the plan started they were no longer able to accept the amount offered as being enough. This was due to the level of arrears and the need for possible legal action.

I've also seen that in January 2023 Miss M agreed with Clevr Money to make an initial payment of £35 that month followed by monthly payments of £80 after that, alongside the payments that were now being made under the payment plan. This meant she was meeting the full monthly repayments that were due. The notes suggest that Miss M understood that it was necessary for the full repayments to continue in this way.

Clevr Money says it's unable to trace any evidence or information that shows or suggests that one of its representatives told Miss M that her outstanding debt could be extended once it had been reviewed after six months.

I appreciate it's frustrating for Miss M that Clevr Money doesn't have phone recordings that might help to establish what was said on each occasion that Miss M contacted them. But I've also kept in mind that there isn't a record of such a conversation in the call notes I've seen setting out the contact Miss M was having with Clevr Money from the time she first applied for the loan.

Miss M considers that she's been misled by Clevr Money and should be compensated. I'm in no doubt that Miss M has given us her best recollection of what happened on the call she's told us about. It's quite possible there was a misunderstanding or the information given to her wasn't expressed as well as it could have been. I should say here that it would be unusual for a business to offer to extend the term of an existing agreement in order to accommodate arrears.

I also realise that Miss M was unhappy about the chasing letters and calls she received from Clevr Money once her breathing space had ended. Unfortunately, whilst a debt remains outstanding this is something I would generally expect to happen so that Miss M was aware of the outstanding amount and could take steps to try and pay or reduce the outstanding sum.

So, as things stand, I simply haven't seen enough evidence or information to show or suggest this particular offer to help Miss M was likely to have been made by a Clevr Money representative.

It follows that I won't be requiring Clevr Money to do anything more in relation to this complaint.

I am sorry to have to disappoint Miss M on this occasion, especially given what she's told us about her financial difficulties and the impact it's been having on her personal welfare.

However, I would like to emphasise that going forward I expect Clevr Money to be fully understanding of Miss M's circumstances and apply all necessary forbearance wherever possible to help put Miss M in a position where she can pay off the outstanding loan in a fair, manageable and sustainable way.

My final decision

For the reasons I've set out above, I don't uphold Miss M's complaint and do not require Blackpool, Fylde & Wyre Credit Union Limited, trading as Clevr Money, to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 16 May 2024.

Michael Goldberg

Ombudsman