

The complaint

Mr F is unhappy that despite letting Sainsbury's Bank Plc know he was entering into a Debt Management Plan (DMP), Sainsbury's continued to harass him for loan payments.

What happened

I issued my provisional findings to both parties on 9 February 2024 setting out why I thought Mr F's complaint should be upheld, and invited both parties to provide any further submissions in reply to my provisional decision by 23 February 2024.

The background to this complaint was set out in my provisional decision together with my provisional findings, which are included below and now form part of this final decision.

Background

Mr F has three personal loans with Sainsbury's. On 2 February 2023 he contacted Sainsbury's to say that with the help of a third party (Company P) he was working to put in place a DMP.

On 23 February 2023 Mr F contacted Sainsbury's again to confirm he was working on the DMP with Company P. Mr F's three accounts were placed on hold for 30 days from this point. The holding letters Mr F was sent, amongst other things, confirmed he would not be contacted during the 30 days.

Sainsbury's contacted Mr F on 15 and 16 March 2023 for payment in relation to one of the accounts. During this contact Mr F referenced that he would be making a payment of £45.65 on 6 April 2023 as part of his DMP. He also told Sainsbury's he was unhappy because he was being harassed despite being on a DMP. Sainsbury's took steps to reset his account and explained the problem appeared to be due to the arrangement on his account being cancelled. Mr F also raised a complaint with Sainsbury's.

On 25 March 2023 Mr F was notified, on account ending -008, that the hold period was ending.

Sainsbury's issued their final response to Mr F's complaint on 16 May 2023 and acknowledged there had been a problem with setting the arrangement on one of his accounts. They offered him £50 to recognise the error, which Mr F did not accept.

On 25 May 2023 Mr F received letters for all three of his accounts confirming that Sainsbury's was providing 'breathing space'. Sainsbury's agreed to put activity on these accounts on hold for 30 days. The letters, amongst other things, confirmed there would be no contact with Mr F during this time.

On 26 May 2023 Mr F called Sainsbury's to say he was still receiving letters about his accounts. Sainsbury's noted that all the accounts had a 'breathing space' status, so Mr F should not have been receiving any contact. They reset the DMP again to try and stop contact with Mr F. They also told him to disregard any calls.

Sainsbury's reviewed Mr F's concerns again given Mr F had not accepted their previous proposal to settle matters. Due to no longer being able to access their systems Sainsbury's were unable to see what contact was made with Mr F, so they accepted that Mr F had said the level of contact had been inappropriate. On 31 May 2023 Sainsbury's issued their revised findings and increased their offer to £150. Mr F did not accept this.

On 1 June 2023 Sainsbury's emailed Mr F to confirm the arrangements on his accounts had been reset and that their collections and recoveries department had been approached to stop texts and calls being sent to Mr F. Sainsbury's however confirmed some letters were a regulatory requirement for them to send.

Mr F's DMP was recorded on Sainsbury's system from 14 June 2023 for each account, to be set for 4 months.

When Mr F contacted Sainsbury's on 1 August 2023, he confirmed he'd received no letters or threats of court and that his main issue was with being harassed when he was setting up his DMP. Mr F then brought his complaint to this service.

Our Investigator concluded the offer of £150 put forward by Sainsbury's was fair in the circumstances. Mr F disagreed so the matter was passed to me to decide.

Mr F was approached for any further details or evidence he could provide about the level of contact he received from Sainsbury's, and to share more about how this matter had impacted him. Sainsbury's were asked to provide some information about their approach to putting accounts on hold.

Mr F said he had nothing further to submit as he had already provided the submissions he wished to make. And Sainsbury's confirmed that when a customer makes them aware they are dealing with a debt management company, ideally an account would be put on hold or breathing space applied.

My provisional findings

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

The matter here for me to decide is the level of harassment Mr F encountered in relation to Sainsbury's attempts to collect payment for his loans, and in turn whether the offer Sainsbury's made to Mr F is fair and reasonable in the circumstances of this case.

Harassment

Based on the summary of events above, I think the time period I need to consider is from when Mr F first contacted Sainsbury's on 2 February 2023 to let them know he was in discussions about putting in place a DMP, and 1 August 2023 when Mr F notified Sainsbury's he would be referring his complaint to this service.

Unfortunately, due to a change in Sainsbury's systems they have been unable to provide a record of all their contact with Mr F during this time – so it's not been possible to see what or how many texts and phone calls were made when to Mr F about his accounts. But they have, however, provided copies of some letters that were sent to Mr F and their account notes, which I've reviewed.

I've also carefully considered Mr F's submissions. Mr F has not described the level of

harassment he experienced in terms of the number of calls and texts he received, but he has said he was harassed and contacted when he should not have been.

I've therefore reviewed this case based on the available information I have.

From early February 2023 Sainsbury's were aware Mr F was looking to put a DMP in place, and from late February 2023 they put his accounts on hold. So when Sainsbury's contacted Mr F in mid-March 2023, this is something they should not have done. At this time Mr F let Sainsbury's know he was upset due to calls and texts he was receiving from Sainsbury's. And Sainsbury's let Mr F know that it appeared one of the arrangements had been cancelled, and this is what had prompted the contact he was receiving from Sainsbury's.

There is not much detail available about the level of contact in April and May 2023, apart from Mr F's reference to receiving letters in late May 2023. Sainsbury's were also considering Mr F's complaints during this time. So I've not seen much here to suggest Mr F was being harassed during this time. I'll refer later on to the letters Mr F was receiving from Sainsbury's.

From 25 May 2023 Mr F's accounts were given 'breathing space' for 30 days, with everything being reset on Mr F's accounts from 1 June 2023. The DMP arrangements were set to start from 14 June 2023 for four months. These arrangements matched the sums proposed in Mr F's Company P statement which was completed on 28 May 2023.

On 1 August 2023 Mr F let Sainsbury's know that he'd not been receiving any letters or court threats and the problem of being contacted about the loans was to do in the earlier months when he was setting up the plan.

So I think it's fair to say that from early June 2023, and when Mr F's arrangements were confirmed, that there were no further problems with contact from Sainsbury's.

I've reviewed the letters that have been made available which Mr F was sent over the period in question which included Notice of Default Sums, Notice of Sums in Arrears letters, as well as letters confirming when Mr F's accounts were on hold.

I understand receiving a lot of correspondence can be overwhelming, but in the circumstances I think the 'on hold' letters were reasonable to send and were not chasing Mr F for payment. And Sainsbury's were required to send the other letters under the Consumer Credit Act 1970, even if Mr F was in a DMP. So I don't think Sainsbury's did anything unreasonable in sending the letters I've seen.

I think there was scope for Sainsbury's to have put Mr F's account on hold, or given him 'breathing space' at the start of February 2023, but there's limited submissions about the amount of contact – outside of any statutory responsibility – that Sainsbury's were making to Mr F in February 2023 before the accounts were put on hold later that month. So I don't think there is anything further to consider here about Sainsbury's contact with Mr F during this month.

Sainsbury's systems

I recognise Mr F is seeking a full investigation and explanation into how this error occurred. I realise that knowing this is important to Mr F, and I understand he doesn't wish other Sainsbury's customers to experience the same problem.

Sometimes it's not possible to know exactly what has happened. From the evidence available Sainsbury's themselves speculated what had gone wrong, suggesting the error

may have occurred due to Mr F having three accounts which meant not all of Mr F's accounts were on hold or in a breathing space when they should have been. And there is a note in Sainsbury's records to refer to their IT department.

While I realise this may disappoint Mr F, I've not investigated this any further, as in the circumstances I don't think I need to do this to reach a resolution about Mr F's individual complaint – which is what my role here is to do. Sainsbury's have already accepted the error is on their part, and in August 2023 Mr F confirmed he was no longer receiving any inappropriate contact from them. So I think the problem was resolved. As I noted earlier, I think the matter left for me to consider is how these events have impacted Mr F and whether Sainsbury's offer, in the circumstances, is fair.

Sainsbury's offer

I agree there were times Sainsbury's contacted Mr F when it was unfair of them to do so. But based on the limited evidence and submissions available to me, it is difficult to know the extent of the contact Mr F was receiving from Sainsbury's.

It's also difficult to know the real impact being chased for a debt may have on an individual, as these matters affect people differently.

I can see Mr F feels strongly that this is not about the money as his thoughts and concerns are very much with how others in less fortunate positions would be affected if they encountered a similar experience to him.

While I acknowledge Mr F's concerns, there are limits to my powers. The Financial Ombudsman Service was set up to deal with individual complaints, so it is not for this service to interfere with a business's processes, systems or controls; nor is it for this service to fine or punish a business – these are all considerations for the regulator. This said, Mr F may take some comfort knowing that there is an obligation on Sainsbury's to analyse decisions issued by the Financial Ombudsman Service should it receive similar complaints.

To summarise, I think Sainsbury's did contact Mr F when they should not have done. The true extent of this contact is not recorded, but it is not in doubt that Mr F was approached when he shouldn't have been due primarily to a fault in Sainsbury's systems, and I do not doubt this would have been upsetting for him.

Mr F told us he has a health condition and the stress of this matter affected him, particularly as he felt he had done everything correctly by engaging with Sainsbury's. The submissions, including Sainsbury's notes also reference communications which may have referred to the involvement of bailiffs. I can see how the involvement of bailiffs would've been particularly upsetting given Mr F's attempts to communicate and manage his financial commitments.

Taking everything into account, I am minded to increase the offer to £250. The problem was resolved from June 2023, and while it doesn't appear there was continuous contact from Sainsbury's – as at times the accounts were successfully on hold or in a breathing space – Mr F was receiving calls, texts and references to the involvement of bailiffs when Sainsbury's were aware that he was arranging to sort his finances.

Responses to my provisional decision

Mr F replied to my provisional decision. He was unhappy that Sainsbury's were unable to evidence the contact they'd made with him to pursue the repayment of the debts. Mr F felt it should be something – as a large organisation – Sainsbury's should be able to do. Mr F also said the £250 is a small sum for a company as large as Sainsbury's to pay, particularly when

they were unhelpful to him. Mr F maintained it was about the principle, not the money, and said Sainsbury's have a duty of care to their customers. Mr F said he hoped nobody else would be harassed as he had been.

Sainsbury's also responded to my provisional decision to say they were satisfied that from mid-April 2023 onwards any communications to Mr F had been regulated correspondence. But, due to changes in their systems, they acknowledged they could not determine what had been sent to Mr F from February 2023 until then. Sainsbury's therefore accepted what had been said about some communications referring to bailiffs, and recognised this would have been upsetting for Mr F. Sainsbury's therefore agreed to the proposal to increase the award to £250.

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.

It is disappointing that due to Sainsbury's system changes there is a gap in information about how much contact there was with Mr F about his loans, and what that contact may have said. So I do acknowledge Mr F's frustrations with this. But I can only review what Mr F and Sainsbury's have made available to me.

While I've carefully considered what Mr F and Sainsbury's have said in reply to my provisional decision, there is nothing to persuade me to depart from my provisional findings.

That is, as I've explained above, there are limits to my powers so I am only able to look at what's happened in Mr F's individual complaint. I think there were times Sainsbury's made contact with Mr F about his loans when they should not have done, and this was upsetting to Mr F who was trying to sort out his finances and engaging with Sainsbury's. In the circumstances, based on the submissions available to me and for the reasons set out above, I think £250 is fair to recognise the upset caused to Mr F.

Putting things right

Sainsbury's Bank Plc should pay Mr F £250.

My final decision

For the reasons above, my final decision is that I uphold Mr F's complaint and Sainsbury's Bank Plc should put things right as I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 26 March 2024.

Kristina Mathews
Ombudsman