

The complaint

Mr K complains that Commsave Credit Union Limited (Commsave) were unreasonable to ask him to make payments towards his account balance when he was in financial difficulties and that correspondence they sent him was threatening. He's also concerned about "Paystop" entries on his account.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for 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.

I know it will disappoint Mr K, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

This Service can only usually consider complaints after they have already been considered by the business. I understand that Mr K is concerned about Commsave's reference to a "new loan," with texts that were sent to him, and with an administration fee that was applied. But I can't see that Commsave had had an opportunity to review those complaint points yet. If Mr K does refer those complaints to Commsave and he's dissatisfied with their response they will give him rights to refer those point to this Service.

I can consider the issues that Commsave reviewed in their final response to Mr K of March 2024, that Mr K referred to this Service in April of this year.

I'd expect Commsave to be positive and sympathetic when they were told about the difficulties Mr K was having meeting his payments. I think they were as they agreed reduced payments and a payment holiday with Mr K. I don't think they were insensitive when they asked Mr K to provide information on his income and expenditure before they would consider extending any arrangement. I think it was important for them to understand if there had been any change in Mr K's ability to repay the amount he'd borrowed, and I think that was a reasonable way to gather that information.

I've considered whether Commsave's Letter Before Action was threatening but I don't think it was. Commsave are entitled to pursue debts through the courts and the letter was a necessary step should they wish to do so.

Commsave have explained that Paystops is an internal process whereby savings are transferred to the loan account to offset arrears. I don't find anything untoward with that. It's usual for terms and conditions to allow financial institutions to take that sort of action.

Overall, while I sympathise with the difficult situation Mr K has found himself in, I don't think it would be fair to suggest Commsave have done anything wrong or need to take any further action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 September 2024.

Phillip McMahon
Ombudsman