

## **The complaint**

Mrs B complains that Madison CF UK Limited trading as 118 118 Money (“MCF”) chased her for missing payments even though she’d made all the payments for her payment plan on time. Mrs B has had missed payment markers and a default reported on her credit file as a result.

## **What happened**

Mrs B holds a credit card account with MCF. In March 2024 she entered a payment plan.

Since agreeing the payment plan, Mrs B has been chased for payments she’s already made and has had missed payment markers and a default reported on her credit file. On each occasion Mrs B has provided proof that she’s made her payment and MCF has acknowledged that it was an internal error.

Mrs B says that due to the errors, the payment plan has been cancelled and reopened four times. Mrs B complained to MCF.

MCF upheld the complaint. In its final response, MCF confirmed that a repayment plan was set up on 6 March 2024 with an agreed payment of £80 per month for a period of 6 months. It said that the repayment plan had been removed on 11 June 2024 due to the absence of a payment and that the following day a Notice of Default was issued requiring payment of £221.39 by 3 July 2024 to avoid further action. It acknowledged that Mrs B had provided a screenshot of her payment of £80 dated 3 July 2024 and said that in response, the repayment plan had been reset for 6 months. MCF acknowledged that the same issue had occurred the following month resulting in the repayment plan being removed on 15 July 2024 and reset following receipt of proof from Mrs B that she had paid £80 on 3 July 2024. MCF apologised for the inconvenience caused to Mrs B. It said the account shouldn’t have been defaulted and that it was removing the default and taking steps to ensure that the issue with Mrs B’s payments didn’t happen again. It also offered compensation of £150.

Mrs B remained unhappy and brought her complaint to this service.

Following the referral of the complaint to this service, MCF increased its offer to £250.

Our investigator said that Mrs B’s payments had been made on time and that despite this, she’d been chased for payment. The investigator said that MCF should’ve provided Mrs B with more information when she set up the plan in March 2024. The investigator recommended that MCF paid total compensation of £350 in recognition of the stress and anxiety caused to Mrs B.

Mrs B didn’t agree so I’ve been asked to make a final 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.

There's no dispute that it was because of an error by MCF that Mrs B's payments weren't posted to her account on time. MCF has said that the delay was caused because it was necessary to file missing payment forms to locate the payments and post them to the account. The issue appears to have stemmed from the fact that Mrs B's standing order payments didn't include the reference.

MCF has acknowledged that if it had provided appropriate advice to Mrs B about the references to use when making payment and the time taken to process standing order payments, the issue would not have occurred.

MCF has also acknowledged that Mrs B received an automated collections call. It has apologised and has said that these calls should be suspended whilst there is a repayment arrangement in place.

MCF has offered total compensation of £250 for the distress and inconvenience caused to Mrs B.

I've thought about whether the offer goes far enough to resolve the complaint. In doing so, I've had regard to what Mrs B has said about the impact that the errors have had on her. She's explained that she felt harassed each time she was contacted by MCF to say that her payment hadn't been received and she's been caused distress and embarrassment by the phone calls. She's also worried that her credit file has been impacted.

I'm sorry to hear about the distress that Mrs B has been caused. I understand that she's been caused significant worry here. MCF has removed the default so there shouldn't be any impact on Mrs B's credit file relating to this.

Having reviewed everything I agree with the investigator that MCF should pay further compensation. I think compensation of £350 is fair and reasonable.

### **Putting things right**

To put things right Madison CF UK Limited must pay total compensation of £350 to Mrs B. It should also remove any missed payment markers relating to the repayment plan from Mrs B's credit file.

### **My final decision**

My final decision is that I uphold the complaint. Madison CF UK Limited must pay total compensation of £350 to Mrs B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 13 January 2025.

Emma Davy  
**Ombudsman**