

complaint

Miss R has complained that Microcredit Limited debited money from her account in respect of a loan she did not owe.

background

Miss R has explained that a relative's loan with Microcredit was paid into her account, as the relative had a problem with her own account which prevented money being paid into it. She says Microcredit agreed to this arrangement. However, Microcredit then debited a considerable amount of money from her account, even though the loan was not hers.

The adjudicator recommended that the complaint should be upheld, as she was satisfied that the loan was not Miss R's. The complaint has now been passed to me for my final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have seen loan documentation, which is in Miss R's relative's name. Accordingly, I am satisfied that the loan was not Miss R's. I have seen nothing to suggest to me that she acted as a guarantor, or that she had the benefit of any of the funds. I am persuaded by her explanation that the money was merely paid into her account for practical reasons, particularly as I have seen no evidence to the contrary. Accordingly, Microcredit should not have taken the money from Miss R's account.

I can see that this matter has caused Miss R considerable distress and inconvenience, for which I consider £150 compensation to be appropriate. Microcredit should also remove any reference of the loan from Miss R's credit file.

my final decision

For the reasons given above, it is my final decision to uphold this complaint. I require Microcredit Limited to:

- a) refund all of the money it took from Miss R's account, adding 8% simple interest per annum, from the date each sum was taken to the date of settlement;
- b) pay Miss R £150 compensation; and
- c) remove any references of the loan from her credit file.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss R to accept or reject my decision before 10 July 2015.

Elspeth Wood
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