

complaint

Mrs W complains that Provident Personal Credit Limited (trading as Satsuma Loans) did not cancel a credit agreement when requested. She added that she was constantly asked for security details before Satsuma would respond to her emails.

background

Mrs W took out a Satsuma loan on 16 May 2017. She says she sent Satsuma a letter five days later to request the cancellation of the agreement, as she was still within the 14-day cooling off period. When she didn't get a response, Mrs W says she also emailed Satsuma on 11 June 2017. But she says its customer service was very poor and Satsuma continually asked for further information. Mrs W acknowledges that Satsuma has apologised for its poor customer service, and sent her a £50 cheque as compensation. However, Mrs W says she's now been left with an unaffordable credit agreement and it's negatively affected her credit score.

Satsuma says it has no record of having received a letter to cancel Mrs W's agreement and that Mrs W was unable to provide a copy. It accepted it attempted to take a payment from Mrs W in July, after she'd requested it take no further payments. It apologised for this and sent Mrs W a £50 cheque. It also confirmed it hasn't added any further interest or late payment charges to Mrs W's account balance.

Our adjudicator did not recommend the complaint should be upheld. She explained that, as there was no evidence of a cancellation letter having been sent in May 2017, she couldn't say Satsuma had made an error. She also found that Satsuma was following its usual procedures when asking Mrs W further security questions before responding to some of her emails.

Mrs W responded to say, in summary, that she'd followed the cancellation process as outlined in the agreement and provided enough security details in her emails. She maintains that even if Satsuma didn't receive her original letter, it should have stopped charging interest when it received her email on 11 June 2017.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs W and to Satsuma on 26 March 2018. I summarise my findings:

- I hadn't seen enough to persuade me that it is more likely than not that Mrs W sent Satsuma a letter to cancel the agreement within the 14-day cooling off period;
- I was satisfied Mrs W sent an email on 11 June 2017;
- I didn't find the security checks were unreasonable given Satsuma needed to confirm the identity of the sender;
- I found the wording of the email was a clear request for what equated to a settlement figure on 11 June 2017.

Subject to any further representations by Mrs W or Satsuma, my provisional decision was that Satsuma should adjust Mrs W's outstanding balance to reflect the settlement figure she would have received on 11 June 2017.

Both Mrs W and Satsuma accepted my provisional decision.

my findings

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

As both parties accepted my provisional decision, I see no reason to depart from it.

my final decision

My decision is that I uphold this complaint in part. Provident Personal Credit Limited (trading as Satsuma Loans) should:

- Adjust Mrs W's outstanding balance to what would have been the settlement figure on 11 June 2017, less any payments already received;
- Respond positively and sympathetically should Mrs W have difficulty repaying the balance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 1 June 2018.

Amanda Williams
ombudsman