

complaint

Mr W says Provident Personal Credit Limited (trading as Satsuma) led him to believe that he had repaid one of his loans – when he hadn't. It also spelt his name incorrectly in two emails and he was concerned that Satsuma didn't issue him with a final response letter.

background

The background to this complaint was set out in my provisional decision dated March 2020. An extract from this is attached and forms part of this final decision, so I will not repeat that information here.

In my provisional decision I set out why I was minded to uphold the complaint. I invited both parties to let me have any further comments and evidence. Mr W has told us he doesn't have anything further to add. Provident didn't respond to the provisional decision.

my findings

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

As neither party had any further comments or evidence they wanted me to consider, I see no reason to depart from the findings that I outlined in my provisional decision.

In summary, Satsuma made an error when it led Mr W to believe that one of his loans had been closed – when it wasn't. I didn't think that the award for trouble and upset was fair or reasonable and so I recommended that Satsuma increase pays £120 directly to Mr W.

putting things right

So I think a fair and reasonable outcome for this complaint is for Satsuma to do the following;

- Reduce Mr W's balance by £30 – this reflects that no repayments were made by Mr W between January and March 2018 as he believed the account had been closed and
- Pay directly to Mr W £120 for the trouble and upset caused.

My final decision

For the reasons given above and in my provisional decision, I uphold Mr W's complaint.

Provident Personal Credit Limited should put things right for Mr W as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 April 2020.

Robert Walker
ombudsman

EXTRACT FROM PROVISIONAL DECISION

complaint

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background

Mr W believed following receipt of an email that he didn't owe Satsuma any more money. However, around two months later Mr W received a statement of account which showed that he owed Satsuma an amount of £612.80.

Following a complaint, Satsuma issued a final response letter (FRL). Firstly, Mr W says as part of the complaint process, he received two emails that spelt his name incorrectly, and secondly he says that he never received the FRL which was sent by post.

One of our adjudicators reviewed the case and accepted what Satsuma had told us – that a clerical error was the reason why incorrect information was provided to Mr W about the balance of his account. She thought the offer made by Satsuma of a total of £50 (£30 to go towards the balance of the account and £20 directly to Mr W) was a reasonable resolution to the complaint.

Mr W didn't agree that the offer was fair, and he wants the balance written off. In response, he made several points including;

- the amount offered is not proportionate to the distress that he has suffered
- Mr W says the complaint lasted longer than the 8 weeks permitted by the FCA and the delay in issuing the FRL prolonged his distress
- No explanation as been provided as to how the clerical error occurred and
- Satsuma hasn't acknowledged Mr W's mental health issues and given the way they dealt with the complaint this caused him further distress.

As no agreement could be reached the case has been passed to me for a decision.

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. Having thought about everything I don't think the settlement offer Satsuma has made to put things right is fair or reasonable and I think it needs to do more. I've explained why below.

statement and emails

Mr W received an email from Satsuma with an attachment, dated 10 January 2018. This letter is in relation to loan account ending 1603. In the first paragraph of the letter I can see it says "*We can also confirm that the account is now closed with no outstanding balance*". Within this letter there was a loan table which provided a history of Mr W's repayments history, which showed an outstanding balance on 5 January 2018 of £612.80.

Mr W has told us that he had a recent irresponsible lending complaint and thought these statements were in relation to that. But, given the content of the attachment I don't think it was unreasonable of Mr W to have believed, at this point in time that he didn't owe Satsuma any more money. But what I would point out, is that the statement for account 1603 did contain contradictory information – but this all stems from an error by Satsuma.

Then on 28 March 2018 Satsuma sent Mr W a statement of account for account 1603 (Mr W says that this wasn't received until April 2018) – in this statement it showed an outstanding balance of £612.80. I accept that now Mr W would've been understandably concerned about what he had received, because he believed that he didn't owe Satsuma any more money.

Afterall, as I've said it wasn't unreasonable for him to believe that he didn't owe Satsuma any more money. He says that he believed the March 2018 statement to be incorrect -again not an unreasonable position to take and I can see that Mr W contacted Satsuma on 10 April 2018 in order to find out what was going on.

Following this contact Mr W received a couple of emails from Satsuma, in both of which his name was spelt incorrectly. This is clearly an error on the part of Satsuma – it isn't clear how this happened, but its most likely been caused by a clerical error. However, the consequence of this was that Mr W lost confidence in Satsuma's ability to investigate his complaint in a competent manner. And Mr W says this further caused frustration with the whole process, and I can understand why that would be the case.

Satsuma says the final response letter that it issued on 22 June 2018 was posted to Mr W. The FRL said, "*1603, which showed a balance of £612.80. The correspondence issued was correct and your claim for us to adhere to a balance of £0.00 is not upheld*".

I've thought about this statement, and I don't think this accurately reflects what happened here. Mr W received an email attachment which said there was no balance and then received a statement around two months later. And I think it is fair to say, that the statement in the FRL doesn't actually reflect what happened here. While Mr W may owe the £612.80, he was clearly told in the January email that his account balance was zero and he didn't owe any more money. But the FRL doesn't seem to deal with the apparent error that occurred. Mr W says this caused him distress.

However, following this service's involvement Satsuma accepted that the January 2018 email statement was sent as a result of a clerical error. I know Mr W wants to know how and why this error occurred, but I don't think we will ever know exactly what happened, other then this was clearly sent in error. Although, Satsuma has also told us, and that the email attachment for account 1603 shouldn't have been sent. Equally, given what Mr W has told us, I'm satisfied that this caused considerable distress and a loss expectation. That he was led to believe he didn't owe any money to then be told some two months that there was an outstanding balance, was clearly upsetting and worrying for him.

receipt of FRL

Mr W emailed Satsuma on 17 July 2018 because he was chasing for a response to the complaint – which he had made in April. Satsuma then provided a copy of the FRL by email and Mr W says that he has some concerns that this wasn't issued, mainly because up until this point the communication has been via email and yet the FRL was posted.

I appreciate that Mr W says this FRL wasn't received, but Satsuma says it was posted, and the letter is correctly addressed. The only reasonable conclusion I can draw is that something happened while the letter was in transit. I appreciate, this isn't the response that Mr W was hoping for, but, I can't reasonably draw any other conclusion about the FRL. There is no evidence to suggest that it wasn't sent.

Satsuma says it can't explain why the FRL was sent via post – but it does say that once it was made aware that Mr W hadn't received a copy it sent an email copy. To me this suggests that the FRL could've been sent to Mr W via email when it was first issued. Again, given that Satsuma already knew this just caused further delays to resolve this matter and increased Mr W's concern that his complaint wasn't be investigated.

It is clear the FRL was issued late, as it should've been issued at the start of June not on 22 June 2018. However, Satsuma has since told this service that it sent emails on 4 June 2018 to tell Mr W, he could refer his complaint to this service, and then it says it sent another email on 15 June 2018 telling him the complaint was still ongoing.

But given that Satsuma was aware of Mr W's mental health problems it clear that this delay would've caused further distress to Mr W and reinforced to him that the complaint wasn't being taken seriously. Afterall Satsuma had already failed to spell his name correctly on two previous occasions.

So, given the reasons I've outlined above, I'm satisfied Satsuma has made errors firstly, with sending an incorrect statement and secondly in the manner it dealt with Mr W's complaint which has caused his trouble and upset.

Putting things right for Mr W

I've considered that Mr W says in order to resolve the complaint Satsuma should honour the wording in the attachment – this would have the effect of Satsuma writing off £612.80. I've thought carefully about this point, but in this case, I don't agree the proposed action is proportionate or reasonable.

To be clear, our approach at this service is not to make incorrect statements (i.e. that, Mr W did not owe Satsuma money) true. And indeed, to ask Satsuma to remove Mr W's liability for the balance in this case would, be disproportionate considering the errors that have been made and the effect of those errors on Mr W.

What I need to decide is the impact of Satsuma mistake on Mr W, and how that should be put right. So, in this instance, I'm satisfied that there has been a loss of expectation. That being, Mr W reasonably believed that he didn't owe Satsuma any money, only to find out that he did. It also seems to have taken Satsuma some time to conclude that something went wrong here.

But Satsuma has recognised that something went wrong and has offered Mr W a total of £50 to put things right. It says this reflects the three months that Mr W didn't make his agreed repayments to Satsuma as part of his repayment plan - it also offered an additional £20 for any trouble caused to Mr W – this would be paid directly to him.

Taking everything into account, including what I've said above, I don't consider this amount to be sufficient to reflect the distress and upset as well as the amount of time that Mr W has spent dealing with this matter.

I will start by saying that Satsuma's offer to reduce Mr W's balance by £30 – to reflect the three missed payments is reasonable in the circumstances. However, the offer of £20 to reflect the trouble and upset and time Mr W has spent dealing with this matter. In my view, £20 does not reflect the problems with the statement of account, mis-spelling his name and concerns about the delays in dealing with his complaint Satsuma's award needs to be considerably higher.