

complaint

Mrs C complains that she has been charged excessive default fees by Express Gifts Ltd.

background

Mrs C says that she has been charged £20 for default fees when other finance providers charge £12 in line with the guidance from the Office of fair Trading (OFT). Mrs C says that £20 is excessive and she would like a refund of the fees. Express Gifts has said that the fees are in line with its costs for administering defaults and in January 2013 the fee was reduced to £12.

Our adjudicator did not recommend that the complaint should be upheld. He reviewed the information provided by Express Gifts about its costs and considered that the charges were fair and in line with the terms and conditions of the account. Mrs C did not agree and asked for an ombudsman to review her complaint.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusions as the adjudicator for the same reasons.

Mrs C accepts that the charges have been correctly added but she says that they are excessive especially when other lenders charge £12 and Express gifts has until January 2013 charged £20. I am only able to comment on the charges made by Express Gifts and it would not be fair or reasonable to compare it to other businesses.

The charges should be reasonably in line with what it costs Express Gifts to deal with Mrs C's non-payment or going over her credit limit. Express Gifts has provided evidence to this service that on average it costs more than £20 to deal with these things. Because that information is commercially sensitive and contains confidential information about Express Gifts I don't think that it is reasonable to show it to Mrs C. I can appreciate that this is frustrating for her but I am satisfied having looked at the information that the costs charged to Mrs C are fair and reasonable and in line with the terms and conditions of the account.

I understand that Mrs C will be disappointed with my decision but I want to assure her that I have looked carefully at all the information and I have reviewed the complaint thoroughly.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mrs C to accept or reject my decision before 10 July 2015.

Emma Boothroyd
ombudsman