

Complaint

Mr S has complained about the scheduled loan repayments on his loan with Satsuma. He says Satsuma changed his repayment dates to the 8th of every month without notifying him or him agreeing to this change. Mr S isn't happy with the amount of compensation Satsuma has awarded him.

Background

Mr S took out an instalment loan of £250 with Satsuma on 31 October 2018. This was due to be repaid over 6 monthly instalments. Satsuma have confirmed that the first scheduled repayment was due on 1 December 2018.

On 14 November 2018 Mr S contacted Satsuma to request a change of his repayment date. It was agreed that the first scheduled payment date would be changed to 21 December 2018 and then the 1st of every month from January 2019. Mr S then called Satsuma on 20 December 2018 to change his repayment date again. He explained that this was due to a delay in receiving payment from work. Satsuma agreed to this the same day and his first scheduled repayment date was changed to 28 December 2018.

On the 8 January 2019 Satsuma contacted Mr S to ask why the scheduled payment for that day had been declined. Mr S responded asking Satsuma how a payment could be due when he'd made a payment on 28 December 2018. Satsuma looked into this and confirmed the same day that there had been a system error which changed the repayment dates to the 8th of the month. Satsuma told Mr S that they would investigate whether the payment dates could be changed and that they would be in contact later that day with an update as soon as they had one.

Mr S called Satsuma on 11 January looking for an update. Satsuma stated that due to their error they would make sure that the payment they'd scheduled for 8 January 2019 wouldn't be reported as a late or a missed payment. Satsuma's call notes also detail that they informed Mr S that if he could make the payment, they'd scheduled for 8 January, on 1 February his account would then be up to date and his remaining repayments would be pushed back to start on 1 March 2019.

During the same call Mr S agreed to make payment on 1 February but also requested compensation from Satsuma. He highlighted the stress and anxiety the error in payment date had caused him, as well as being told he'd missed a payment and was in arrears, and the numerous phone calls made and text messages sent to get to this point.

On the same day Mr S raised a complaint and Satsuma acknowledged this. They also stated that it could take up to 56 days to resolve the complaint. Satsuma asked if Mr S would like a manager to call him within 24 hours to discuss his complaint. Mr S said yes.

Mr S got back in touch with Satsuma on 14 and 15 January 2019 querying when he'd receive a call from a manager and why his account was still showing as being in default. A call with a manager took place on 15 January. Here the manager explained that the missed payment wouldn't be reflected on Mr S's credit file as the loan being in arrears. Mr S stated he was unhappy with the lack of contact and miscommunication to date.

On 18 January, Mr S emailed Satsuma to add to his complaint. He detailed that as he wasn't given accurate repayment information about the loan, he would like the loan to be voided, all balances wiped and all information relating to the loan removed from his credit file. Satsuma

sent an acknowledgement the same day and Mr S asked for timescales as to when Satsuma would get in touch with him about his complaint. Satsuma's collections department responded saying that they couldn't provide a timescale as it doesn't deal with complaints and that they would ask the relevant person to contact Mr S. This doesn't appear to have happened.

Satsuma issued a final response on 31 January 2019. Here Satsuma detailed that they'd made it clear in the loan agreement when the scheduled repayments were contractually due. Based on this, they didn't uphold Mr S's complaint point about not being given accurate repayment information. Satsuma went on to say Mr S's credit file would be amended so that no late or missed payment markers are reported on it. Satsuma also explained that they would amend Mr S's repayment dates to be the 1st of every month and apologised for any distress and inconvenience that had been caused. Satsuma explained that they would reduce Mr S's outstanding balance by £50 as a further apology.

Our adjudicator didn't uphold Mr S's complaint as they didn't think Satsuma had dealt unfairly with Mr S's complaint. As Mr S didn't agree with our adjudicator the complaint has been passed to me for a final 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.

Satsuma have provided a copy of the loan agreement which details the following for scheduled repayments;

'6 monthly payments of £79.00 starting on the earliest 1st of the month which falls at least 28 days after the credit agreement is signed by us and continuing on the same day in each month thereafter.'

I am satisfied that the repayment schedule dates were made clear to Mr S in the loan agreement at the time of taking out this loan. As the first scheduled repayment date of 1 December 2018 is not disputed by either party I've not considered it any further.

Mr S's dissatisfaction, when he referred his complaint to our Service, was with Satsuma changing his repayment dates to the 8th of each month and more specifically the 8 January 2019, after Mr S had agreed to the loan. Therefore, I am focusing on what happened from the 8 January 2019 onwards.

When Mr S contacted Satsuma about changing his first scheduled repayment, on 14 November and then again on 20 December 2018, Satsuma agreed to these requests either the same day or within a few days. This was a reasonable amount of time to respond and act on Mr S's requests. Neither party has raised any concerns over these payment dates.

Once Mr S contacted Satsuma about the change of the repayment scheduled date to 8 January 2019 they looked into the matter the same day and identified there had been an error made in changing the due dates of his repayments. Satsuma also informed Mr S of this

on the same day and explained they were looking into whether the scheduled date could be changed.

I acknowledge that Satsuma did say they would contact Mr S with an update on their investigation on 9 January and then again the following day when Mr S chased this up. Satsuma explained that they were waiting for an update from their technical team and that they would provide an update as soon as they had one. Satsuma provided a response on 11 January. It was at this point that they explained to Mr S that due to their error they would make sure the repayment that had been scheduled for 8 January wasn't reported as a late or missed payment on his credit file. And I don't consider this to be unreasonable.

I appreciate Mr S's frustration and anxiety in not knowing what was happening with his loan during this period. I also think Satsuma could've dealt with communicating with Mr S in a more timely manner and in the ways they had told him they would. However, I also acknowledge that the time between Mr S first bringing the issue of the January repayment date to Satsuma's attention and them responding was three days.

This wasn't an unreasonable amount of time for Satsuma to investigate the matter and to provide Mr S with a response to what had happened and what they were going to do to put things right.

Once Mr S raised a complaint about the error on 11 January and requested compensation for the stress, anxiety and time taken to make calls and send text messages for updates, Satsuma did log the complaint and explained to Mr S it could take up to 56 days to resolve a complaint.

Even if this timescale hadn't been highlighted to Mr S, DISP Rule 1.6.2 of the Financial Conduct Authorities' (FCA) Handbook, requires a business to provide a final or other response within eight weeks of receiving a complaint. It is also considered good industry practice to provide a response within this time frame.

Satsuma issued their final response on 31 January 2019, which was less than half the time they had to try and resolve the complaint. Therefore, I am satisfied Satsuma provided an outcome to Mr S's complaint in a reasonable period of time and within the required time limits for doing so.

I acknowledge Satsuma did offer to call Mr S on a number of occasions between him raising his complaint on 11 January and when they issued their final response on 31 January. I note that these didn't happen when Satsuma had said they would and sometimes an alternative method of contact was used once Mr S chased them up to ask what was happening.

At the time Mr S raised his complaint, Satsuma had already informed him that the error in the repayment date being scheduled for the 8 January 2019 wouldn't be reflected as a late or missed payment on his credit file. Additionally, Satsuma have confirmed that they've already requested for any adverse information reported in January 2019 to be removed from Mr S's credit file – and I consider this a reasonable course of action for them to have taken.

While there is nothing from what I've seen to suggest such a marker was reported on Mr S's credit file, even if it was I can't fairly say such an error, by itself, has directly affected Mr S's ability to obtain further credit. Especially as Satsuma has said that the missed payment won't show on Mr S's credit file.

However, I do think Satsuma could've kept Mr S better informed of what was happening – in line with what it said it would do. But, as part of Satsuma's resolution to Mr S's complaint they have already acknowledged and apologised for failing to contact Mr S when they'd said they would. Satsuma also agreed to reduce Mr S's outstanding loan balance by £50 for any trouble and upset that he had been caused and reconfirmed that all future repayments would be schedule for the 1st of the month.

Satsuma have confirmed that the £50 reduction in Mr S's outstanding balance was carried out on 31 January 2019.

Taking everything into consideration, Mr S was caused undue distress and inconvenience that could've been minimised if Satsuma had communicated with him when they'd agreed to. However, I can't fairly say that the £50 Satsuma have awarded for any trouble and upset caused to Mr S, is unreasonable in this instance. I also don't think it is unreasonable for Satsuma to have off set this amount against Mr S's outstanding loan balance as this helped to reduce his debt resulting in him repaying less overall.

As this is the case, I'm not upholding Mr S's complaint. I appreciate this will be very disappointing for Mr S. But I hope that he'll at least feel his concerns have been listened to.

My final decision

My final decision is that I do not uphold Mr S's complaint and I make no award against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 April 2020.

Robert Walker
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