

complaint

Miss C complains about a loan she has with Greenwood Personal Credit Limited. She is unhappy about the way she has been treated during a period of financial difficulties and believes Greenwood Personal Credit lost or delayed some of the payments that were made to her account.

Miss C is represented in her complaint by her father, who will be referred to as Mr C throughout this complaint.

background

The adjudicator who considered the complaint recommended it be upheld. He couldn't be certain that Greenwood Personal Credit delayed allocating the cheque payments Mr C sent.

The adjudicator thought that Greenwood Personal Credit had not however correctly allocated the payments that Mr C had sent. He thought that some of the payments that were intended for Miss C were incorrectly applied to Mr C's, and his wife's, accounts.

The adjudicator felt that Greenwood Personal Credit should have realised Mr C was making payments for all three accounts for him, his wife and his daughter, and should have distributed the payments between the three accounts.

To resolve the complaint the adjudicator thought it would be reasonable for Greenwood Personal Credit to move £74 to Miss C's account that had been wrongly applied to her mother and father's accounts. He also thought that Greenwood Personal Credit should pay £50 to Miss C for the distress and inconvenience she had been caused.

Both parties broadly agreed with the adjudicator's findings and recommendations. However, Greenwood Personal Credit said it would prefer to pay £50 to Miss C's account to reduce the balance, rather than paying it directly to Miss C. It notes that Miss C's account is heavily in arrears and this is why it feels the payment should be made to the account.

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 come to the same overall conclusions as the adjudicator for broadly the same reasons.

As both parties have accepted all but one of the adjudicator's findings I see little benefit in repeating those points in great detail here. I will simply say that I agree with the adjudicator and think that Greenwood Personal Credit should have been aware that Mr C was making payments for himself, his wife and his daughter. It should have been clear therefore that the payments had to be allocated to the three accounts.

Greenwood Personal Credit has now agreed to move £74 to Miss C's account and this is the amount that was not correctly applied. Because of the number and frequency of cheques being sent by Mr C it is difficult to conclude that the cheques were actually applied late. They

were nonetheless applied and once the adjustment has been made to the account the account should accurately reflect the correct payments made.

Miss C says that as a result of these issues she has been refused credit. I have not seen anything to clearly show that Miss C was refused credit solely as a result of the failure to correctly apply all of the payments. It is quite likely that any lending decision would be influenced by Miss C's broader financial circumstances. I do not think that the sole reason for refusal was because of the incorrectly applied payments. Greenwood Personal Credit should ensure Miss C's credit file reflects the number and level of payments made to the account but having considered the circumstances here, I think it unlikely that all of the adverse information will be removed from her credit file.

I have not seen sufficient grounds to instruct Greenwood Personal Credit to remove all of the information recorded on Miss C's credit file as this would not then reflect the true payment history.

The outstanding issue in this complaint surrounds the proposed payment for any distress and inconvenience that Greenwood Personal Credit has caused Miss C. I think that by incorrectly allocating the payments it would have been somewhat distressing and inconvenient for her. I do not however think that any distress or inconvenience would have been significant and any award should therefore reflect that. I have not found that Miss C was refused credit as a result of Greenwood Personal Credit's failings here so I do not think an award should be made for this.

Having carefully considered the circumstances of this complaint I think a payment of £50 is reasonable. I also think it would be fair for the payment to be sent to Miss C rather than being applied to her outstanding debt. I appreciate the account is overdue and a considerable sum is still outstanding. Greenwood Personal Credit will still expect Miss C to continue to repay the amount that is owed and this is not unreasonable. If Miss C is still experiencing financial difficulties I would remind Greenwood Personal Credit to treat Miss C in a positive and sympathetic manner.

my final decision

My final decision is that I uphold this complaint and direct Greenwood Personal Credit Limited to send Miss C a payment of £50, rather than deducting the sum from her account.

If it has not already done so, Greenwood Personal Credit Limited should also move £74 to Miss C's account. I make no further award or instruction.

Mark Hollands
ombudsman