

complaint

Mrs A complains that FirstRand Bank Limited (the business) miscalculated her payments under her hire purchase agreement (HPA) and overcharged her. She also says she received poor customer service.

background

Mrs A acquired a car under a HPA in July 2012. She says she made her regular monthly payments as well as some lump sum payments in order to reduce the amount of interest she needed to pay. Mrs A says she followed the business' procedure for making these payments. She says that when she called to make her payment in July 2013, she was told that the interest would come down to £1,319.36.

However, after making a payment of £3,000 in July 2013, Mrs A says she noticed the interest on her account had not been recalculated to reflect the payment. She says she contacted the business about this. But she says that she noticed the same mistake had not been corrected after she made her settlement payment, meaning that the total amount to pay was larger than she expected.

Mrs A says she complained about this and received poor customer service. She says that after calling and writing to the business it agreed a mistake had been made but only provided her with a rebate for part of the amount she was owed and sent her £30 of vouchers for a retailer. She says she did not accept this and has not spent the vouchers.

Mrs A also complains that when she requested transcripts of her calls she was told these were only kept for six months, and that the layout of her statements changed making them harder to understand.

The business accepted that Mrs A followed the correct procedure when she made her lump sum payment in July 2013. It said that a system error had occurred and agreed that she was owed a rebate. It calculated the rebate to be £418.61 and added interest at 8% from the date of the final settlement giving a total of £422.28. It provided Mrs A with the calculations and sent her £30 of vouchers as an apology.

The adjudicator said that the business had demonstrated that it has applied the appropriate rebate for her overpayments. She explained that we do not offer account auditing service of the calculations but said that if Mrs A was able to provide evidence to show that the calculations were incorrect then she would be happy to look into this further. The adjudicator considered the £30 vouchers the business had sent was not sufficient compensation for the inconvenience this issue had caused and said £125 compensation would be reasonable. The business agreed to this.

Mrs A did not accept that the calculations were correct and said her accountant was looking at these. She also said that she should be paid more than £125 for the inconvenience and upset this issue had caused.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As the adjudicator has explained, we do not provide an audit service and so while I have looked at the information provided both in Mrs A's statements and the calculation sheets, I have not carried out an audit of this.

I have looked at the calculations provided by the business showing the payments made, including the July 2013 payment, and the interest due on the remaining balance. Based on this I am satisfied that the business had carried out a calculation to establish the rebate due to Mrs A and that it has provided sufficient information for her to understand how the interest amount has been calculated.

Mrs A has said that her accountant is also looking at these calculations however I have not seen any information from Mrs A's accountant.

My role is not to punish the business but where a mistake has been made to make sure that the customer is put back in the same position he would have been in had the mistake not been made and, where appropriate, to award compensation.

The business made a mistake by not updating Mrs A's account after her July 2013 partial settlement payment. It has calculated the impact of this and offered to pay this plus interest to Mrs A. This should put Mrs A back in the position she would have been had the mistake not been made.

However, Mrs A did have to chase the business to ensure her issue was addressed. This caused her inconvenience and upset. Therefore I find that compensation is reasonable. Mrs A has said that £125 is not enough; however I find that because the business has admitted its mistake and offered to pay her a rebate, I find that £125 is fair and reasonable.

my final decision

My final decision is that FirstRand Bank Limited should pay Mrs A £422.28 as a rebate for her overpayment plus £125 compensation, as it has agreed, in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs A to accept or reject my decision before 10 July 2015.

Jane Archer
ombudsman