

complaint

Mr J complains about a default fee which was applied to his account by Close Brothers Limited.

background

Mr J took out an insurance policy for his motorcycle and entered into a finance agreement with Close Brothers Premium Finance. He signed a credit agreement to pay by instalments of approximately £43.98 per month on or around 21st of each month.

Close Brothers attempted to collect an instalment payment on 21 August 2017. It was returned "refer to payer" by the bank. Because of this, Close Brothers applied a default fee of £30 to Mr J's account.

Mr J contacted Close Brothers and said that he'd previously asked for his payment date to be amended to 23rd of each month. Close Brothers said it had no record of such a request.

Mr J says he spoke to someone about amending the date at the start of the policy. He also thinks he amended the date on some paperwork he returned. He thinks the £30 fee is excessive and he wants a refund.

The investigator didn't uphold the complaint. He said that Mr J was aware of the payment date and of the penalty for missing a payment. He said that Close Brothers were entitled to charge the default fee because it was in line with the terms and conditions of the agreement.

Mr J didn't agree so I've been asked to make 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.

I've looked at the credit agreement which Mr J signed. This sets out the dates when the payments will be taken under the heading "Your payment schedule details". It clearly says 21st of each month.

The credit agreement also sets out the fees which can be applied under the heading "Fees". This says that the fee for missing a monthly payment is £30.

I can't say that Mr J wasn't aware of the payment dates or the fees, because these are clear and unambiguous in the agreement.

Mr J says he requested that his payment date was amended to 23rd of each month. I've considered the available evidence but there's nothing to suggest that Mr J spoke to anyone at Close Brothers about this when he took out the policy, and none of the paperwork provided to me has anything on it which amounts to an amendment to the payment date.

Mr J hasn't been specific about the date when he says he spoke to Close Brothers or about the item of paperwork he amended. So I'm unable to take that further. The only evidence of Mr J requesting a change to the payment date is when he called Close Brothers on 23 August 2017.

I've also taken account of the fact that Mr J's first instalment was taken on or around 21 July 2017. He made no complaint at this time, which I would've expected him to do if he'd amended the payment date at the start of the policy.

Mr J says that £30 is excessive. I appreciate that it looks excessive compared to the monthly instalment. However, the fee of £30 is set out in the agreement, and Mr J has signed the agreement to indicate that he accepts the terms and conditions.

In the circumstances, I'm unable to say that Close Brothers has acted unfairly and I won't be asking it to refund the fee.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 19 February 2018.

Emma Davy
ombudsman