

The complaint

Mrs I complains about the service provided by Close Brothers Limited trading as Close Brothers Premium Finance (CB) when she wanted to change the date of her direct debit payment.

What happened

In November 2022 Mr I emailed CB on behalf of Mrs I asking to change the payment date for Mrs I's insurance payment. CB responded to Mr I and said it needed authorisation from Mrs I to make the change.

Mr I told CB that Mrs I had already provided this authorisation and asked again for the payment date to be changed.

CB apologised for the confusion and explained they couldn't move the payment to the date that Mr I had requested. They gave a date they could move the payment to and told Mr I if he contacted the broker of the policy, he may be able to move the payment to the date he'd asked for.

In late November 2022 CB sent a letter to Mrs I to tell her that her recent direct debit was unsuccessful, and they'd try to collect it again at the beginning of December 2022.

Mr I called and made the payment for November and December, and CB waived a £30 payment default fee as a gesture of goodwill. The payment date was later changed at the request of Mr I.

Mr I complained to CB in November 2022. He said he was unhappy with the letter that CB sent, and that the payment date hadn't been changed. He said he was also unhappy about being told he didn't have authorisation to deal with the account.

CB responded to Mr I in December 2022 to say that he was only authorised on a previous agreement. CB sent Mrs I their final response to Mr I's complaint in January 2023. They said the authorisation provided on Mrs I's previous agreement was not valid for this new one, and so they had incorrectly discussed Mrs I's account with Mr I. the payment date was changed back, and CB apologised and paid £50 compensation for the poor service.

Following the final response Mrs I provided authorisation for Mr I to discuss her agreement, and asked for the payment date to be changed. The payment date was changed by CB in mid-January 2023.

Unhappy with this response, Mr I brought Mrs I's complaint to this service for investigation. He said he'd spent a lot of time trying to resolve the situation, which was added to when CB reset the payment date after he'd changed it in December 2022. Mr I said there was a clear breach of Mrs I's data when CB discussed the account with him, and the £50 compensation wasn't sufficient.

Our investigator gave her view that she was unable to award compensation to Mr I as he wasn't named on the agreement. She felt the compensation of £50 and waiving the fee of £30 was fair in the circumstances and didn't ask CB to do anything more.

Mrs I didn't agree. She said CB shouldn't have accepted payments or moved the payment dates when they had no authorisation for Mr I to deal with the agreement, she didn't accept the £50 compensation, and this was paid without her acceptance. Mrs I didn't feel the compensation was reasonable, and said that the distress and inconvenience that Mr I experienced affected her as well, and this should be considered.

As an agreement can't be reached, the case has been passed to me for a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mrs I was provided with a running account credit agreement by CB in order to pay her insurance premiums over 12 months. This is a regulated consumer credit agreement, which means we're able to look into complaints about it.

It's not in dispute that CB provided poor service to Mrs I. They've acknowledged that they caused confusion about whether Mr I had authorisation to deal with Mrs I's account, and that they discussed her account with Mr I without authorisation and amended her payment date without this authorisation.

Mr I is now authorised to handle Mrs I's agreement with CB, and the payment date has been changed to the one Mr I originally asked for.

So, I've focussed on whether the compensation offered is fair and reasonable in the circumstances.

I can see that Mr I was put to distress and inconvenience in attempting to change the payment date when he asked to, and that CB provided conflicting information about whether he was authorised to deal with Mrs I's agreement. I know that Mr I feels strongly about the service provided by CB, and the affect this has had on his own health. I must explain that as Mr I is not a customer of CB, with the agreement being only in Mrs I's name, I can't make an award for the distress and inconvenience he has personally experienced.

Mrs I has set out how Mr I's distress and inconvenience also caused her the same. I appreciate that this will be the case, but I must consider that it was Mr I that spent the time calling and emailing CB in order to resolve the situation.

So, whilst I don't doubt that Mrs I was caused distress and inconvenience, having considered all of the evidence and circumstances, I'm satisfied that the £50 compensation that CB have paid was a fair amount to compensate Mrs I for the distress and inconvenience caused to her as a result of the poor service provided, alongside waiving the £30 default payment fee when the November 2022 payment failed.

Mrs and Mr I have expressed their concern about the breach of Mrs I's data. I've thought about this, and I'm not persuaded that CB discussing Mrs I's account with Mr I was detrimental to her. She ultimately provided the authorisation for Mr I to make changes to her agreement, and I'm satisfied that she wanted him to have this authorisation from the start. Mrs I may wish to contact the Information Commissioners Office (ICO) if she remains concerned about CB's handling of her data.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 28 October 2023.

Zoe Merriman
Ombudsman