

## **The complaint**

Mrs G complains that Alphabet (GB) Ltd (“Alphabet”) wrongly took a payment after her car hire agreement ended, which caused her stress and inconvenience to rectify.

## **What happened**

Mrs G’s car hire agreement with Alphabet came to an end via an early termination in February 2023 and the car was collected. A further invoice was issued for a payment in early March 2023, but Mrs G assumed it was an administrative error, as her agreement had finished. However, on 7 March 2023 a payment was taken.

When Mrs G realised this, she contacted Alphabet to ask them to refund the money. Initially they arranged to return the payment via a BACS payment, but when it was made clear this could take ten days to arrive back with Mrs G, she asked for a quicker solution as she needed the money back. Alphabet explained they would arrange a CHAPs payment of the money which would be quicker but couldn’t reverse the BACs payment so she would end up with two refunds and would need to send one payment back.

This happened but Mrs G complained that Alphabet had wrongly taken the payment in the first place and took too long to put things right and caused her considerable stress by not responding to messages and calls. She also complained that they reported incorrect information on her credit file.

In their final response letter (FRL) to her complaint, Alphabet apologised, and partly upheld the complaint. They agreed they had made a mistake in taking the payment and agreed to remove the negative markers on her credit file. They also recognised she was without her funds for ten days, and while the interest loss on this was negligible, they offered a £25 reduction on the balance she owed to return the double payment they had refunded, to cover any loss of interest and by way of an apology and recognition of the inconvenience they had caused.

Mrs G wasn’t happy with this response and brought her complaint to our service. An investigator here investigated the case and felt that Alphabet didn’t need to do any more. They agreed with the FRL response from Alphabet and the compensation offered. Mrs G didn’t agree with this and felt the distress and inconvenience she was caused warranted a payment of £1,000.

She felt having read our guidance around compensation that she couldn’t agree that £25 was a fair amount when Alphabet had taken her money and marked a missing payment on her credit file. She said she’d been treated unfairly and they had stolen her money from her. The case has been passed to me for a final decision therefore.

## **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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

Alphabet have made an error in taking another direct debit payment of £196.91 in March 2023, after the agreement had ended. They've explained that this happened because the instruction to cancel the direct debit hadn't been actioned quickly enough after they had agreed with her to end her car hire agreement in February 2023. But they've recognised this was their error and apologised.

I've considered the impact this had on Mrs G, and whether the compensation offered is suitable. Mrs G has told us this caused her stress, and she had to make several phone calls to resolve the issue. I can see the details of this, but I also think it's fair to consider the timescales involved.

The payment was taken on 7 March 2023, and Mrs G noticed this and contacted Alphabet on 15 March 2023. Between 15 March and 18 March 2023 there are numerous emails and phone calls, which resulted in initially the BACs payment being processed, and then a CHAPs payment to enable the money to get back to Mrs G more quickly.

By the 18 March 2023, Mrs G had her money back, so after she noticed the payment had gone and spoke to Alphabet, it took them three days to return the funds to her and apologise.

Mistakes happen in all areas of life and business, and clearly Alphabet have made a mistake here. Reading the emails between the parties, it's clear that normal business process was to send a BACs payment back to a customer, but when Mrs G asked for a quicker CHAPs payment, fairly quickly this was escalated up the chain to somebody able to authorise this and process it. I appreciate this took several phone calls, but these were all over a short period of time.

Alphabet did this, knowing that they couldn't reverse the BACs payment they had already authorised, and Mrs G would get two refunds. I think this is good service and recognises the potential issues it could have caused Mrs G to be without her money for a further number of days. I appreciate it took several calls and emails to get to this point, but I think they've recognised the issues and adapted their response accordingly.

With regards to the credit file issue, it seems the missing payment that was reported on her credit file is the return of one of the refunds she received, as no payments were missing on the agreement. In their FRL, Alphabet have apologised and agreed to amend her credit file on the basis that whilst she did still owe the money, it was their error originally which caused this to happen, so it didn't feel fair to report that payment as missed. I think this is also a fair way of reflecting the circumstances at the time.

Mrs G has said she doesn't feel the offer made by Alphabet reflects the circumstances of her complaint in our guidance on compensation published online. In these circumstances, I've considered the time it took for the business to correct their errors, which was two to three days, any impact the error had on Mrs G, and how the complaint has been resolved. Having done so, I am satisfied that the resolution provided by Alphabet is fair, and in line with our guidance.

I empathise with Mrs G and the immediate stress caused when she has spotted the error. But taking into account the size of the mistake, the speed it was dealt with, and the fairness of how it was resolved, I won't be asking Alphabet to do anything more.

### **My final decision**

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 10 November 2023.

Paul Cronin  
**Ombudsman**