

The complaint

Mr A complains that Close Brothers Limited trading as Close Brothers Premium Finance (CB) spelt his name incorrectly on his direct debit mandate, and that they cancelled his agreement.

What happened

CB received an instruction from a broker in September 2022 to finance an insurance policy for Mr A, allowing him to make monthly repayments. CB sent a welcome email to Mr A with a copy of the agreement and direct debit mandate.

Mr A contacted CB to explain that his surname was spelt incorrectly on the direct debit mandate. CB corrected this error in mid-September 2022.

CB completed checks with credit reference agencies. They said there was a notice of correction on Mr A's file which required a password, and so they tried to contact Mr A to obtain this. When they couldn't, the agreement was cancelled on 27 September 2022.

Mr A complained to CB in October 2022 about the misspelling of his name on the direct debit mandate, and the cancellation of the agreement.

CB sent Mr A their final response to his complaint in November 2022. They said they couldn't continue with the agreement without obtaining the notice of correction password, and they'd corrected the spelling of his surname. They didn't uphold Mr A's complaint.

Unhappy with their response, Mr A brought his complaint to this service. He said he should be compensated for the failings by CB in spelling his name incorrectly, and in leaving his property uninsured when the agreement was cancelled.

Our investigator gave her view that the incorrect spelling of Mr A's name was unlikely to affect CB being able to collect a direct debit payment as all other details were correct, and in any event, CB had corrected the error in good time without Mr A suffering any financial detriment as a result of the mistake. She said she'd seen evidence that there was a notice of correction on Mr A's credit file, and that CB attempted to call Mr A on two occasions to obtain the password under this. She said CB didn't email Mr A in line with their procedures, and she felt it would have been fair for them to do so. She was persuaded that if CB had emailed Mr A, he would've provided the password, and so she asked CB to pay Mr A £50 compensation to recognise the distress and inconvenience caused.

Mr A didn't agree. He said the compensation wasn't reasonable in the circumstances.

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.

CB provided Mr A with a running account credit agreement to allow him to pay his insurance premiums monthly. This is a regulated agreement, which means we can look into complaints about it.

I've seen the direct debit mandate that Mr A first received, and his surname is spelt incorrectly. I can see that CB corrected this error when Mr A asked them to. I'm not persuaded that the incorrect spelling would have affected the direct debit collection, and I am persuaded that CB amended the spelling in good time and with no detriment to Mr A.

I've seen evidence that when CB completed their credit assessment for Mr A's account, they found a notice of correction on his credit file that required them to ask Mr A for a password. Mr A has demonstrated that although this notice of correction was old, he was aware of the password and could have provided this to CB.

I can see that CB called Mr A on two occasions, but they were unable to obtain the password from him as he was unable to discuss his account on both occasions. I think it would've been fair in the circumstances for CB to have emailed Mr A to ask him for this password prior to cancelling his agreement

CB said it would have been their usual procedure to have emailed, but they didn't do so in this instance.

Mr A was inconvenienced by having the agreement cancelled and having to arrange another method by which to pay his insurance premiums. He was also distressed by the possibility of having no insurance cover in place following the cancellation of the agreement.

Putting things right

I can't compensate Mr A for something that could have happened. So, whilst I understand his strength of feeling on the matter, I won't be asking CB to pay compensation for the possibility that something could have happened to his property after the agreement was cancelled and before he made other arrangements to pay for his insurance.

All things considered, I'm satisfied that the £50 recommended by our investigator reasonably compensates Mr A for the distress and inconvenience he's suffered in the circumstances.

My final decision

My final decision is that I uphold this complaint, and Close Brothers Limited trading as Close Brothers Premium Finance must pay Mr A £50 compensation, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 January 2024.

Zoe Merriman
Ombudsman