

complaint

Mr R complains about the charges applied to his loan that's now owned by Opos Limited ("Opos").

background

Mr R says he took out a loan for £200 in June 2014. He says it was later sold to Opos who told him he owed it £1,132. And he says he's no chance of paying the debt off with interest like that.

Opos says it bought Mr R's account in December 2014 when the balance was £1,157.20. And it says it hasn't applied any charges of any kind to the outstanding balance.

Mr R complained to Opos about this matter. And, being unhappy with its response, he complained to this service.

During our investigation Opos offered to waive the attempt charges that had previously been applied to Mr R's account, thereby reducing the balance from £1,157.20 to £602.20.

Our investigator thought this was reasonable, in the circumstances.

Mr R disagreed with the investigator's conclusions. He didn't think any charges should've been added to his account in the first place. So, the matter's been referred to me 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 decided to partly uphold Mr R's complaint and to require Opos to waive the attempt charges of £555 on his account. I'll explain why.

I note Mr R's also complained that appropriate affordability tests weren't carried out before the loan was made to him and that the loan was made irresponsibly. But, as our investigator's explained, matters relating to the original decision to make the loan are the responsibility of the original lender rather than Opos, which wasn't involved in making these decisions. So, this means I can't consider these issues as part of this complaint.

But I can consider whether it's fair for Opos to recover all of the charges that are included in Mr R's outstanding loan balance of £1,157.20.

I see the current outstanding balance consists of the £200 Mr R originally borrowed, interest charges totalling £312, debt collection charges of £50, default charges of £40 and attempt charges of £555.

I think it's fair for Opos to recover the amount Mr R borrowed and the interest he agreed to pay when he took the loan out. I also think it's fair for Mr R to pay the default and debt collection charges that were added to the account as a result of him falling into arrears.

I note Opos has now agreed to waive the payment attempt charges on Mr R's account totalling £555. This will have the effect of reducing the outstanding balance by nearly half, to £602.20. And I think this is reasonable, in the circumstances.

So, I partly uphold Mr R's complaint on this basis.

my final decision

I partly uphold Mr R's complaint against Opos Limited. It must waive the attempt charges of £555 on his account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 August 2018.

Robert Collinson
ombudsman