

Determination

Case number: 624744

22 August 2019

1 Determination overview

1.1 Complaint

The complainant held credit card account ***9804 with the financial firm. She repaid the account debt and the financial firm told her it closed the account. In mid-2018 further BPAY payments were processed to, and reversed from, the account. The account ended up with a debit balance of around \$455 (including fees and interest) which the financial firm asked the complainant to repay. The complainant disputed her liability because she understood the financial firm had already closed the account and did not make the BPAY payments.

1.2 Issues and key findings

What is the complainant's liability for the account debt?

There is not enough information to show whether the complainant made the BPAY payments. However, they were reversed from the account in any event. I do not consider the complainant obliged to repay the remaining account debt to the financial firm given that it represented to her it would close the account. The complainant did not expect to have to deal with the account in future. The complainant retains the benefit of the EFT refund of \$299.05 processed on 11 April 2018 as, in effect, compensation for her stress and inconvenience.

1.3 Determination

This determination is in favour of the complainant. Within 14 days of the complainant accepting this determination, the financial firm must confirm closure of the account without liability to the complainant.

2 Reasons for determination

2.1 What is the complainant's liability for the account debt?

The financial firm told the complainant it would close the account

The complainant called the financial firm and asked it to close the account as she had repaid what she thought was the account balance. The financial firm told her there was an extra amount to pay that day, after which it would:

- close the account in between five and seven business days
- put a stop on the card to prevent further transactions processing to the account.

On 10 April 2018 the financial firm sent an SMS to the complainant confirming closure of the account. Consequently, the complainant had a reasonable expectation that she had finalised the account with no further liability to the financial firm.

BPAY payments were processed to the account

Even though the financial firm says it closed the account in mid-2018 further BPAY payments were processed to it, and then reversed. The system notes show the financial firm also sent the complainant an EFT refund of \$299.05 on 11 April 2018 around the time of the first BPAY payment. Overall then, the account held a debit balance again for which the financial firm sought repayment from the complainant.

The complainant is not liable to repay the account debt

The complainant says she did not make the BPAY payments to the account. Given her earlier conversation with the financial firm I accept that she wished to close the account and have no further dealings about it with the financial firm. For this reason, it is unlikely she would have intentionally made payments to the account again. The financial firm says it otherwise has no information about where the BPAY payments came from and were reversed back to. I cannot conclude on the available information why the BPAY payments were made and by whom. Regardless, it appears the account debt arose due to the extra EFT refund to the complainant from the financial firm. I do not consider it appropriate for the complainant to have to repay this remaining account debt because:

- the financial firm's representative clearly told the complainant it would automatically close the account
- the complainant reasonably expected not to have to deal with the account and the financial firm, but then had to lodge this complaint
- the remaining account debt first arose because the financial firm permitted BPAY payments to the closed account.

For these reasons I consider the EFT refund of \$299.05 representative of compensation for stress and inconvenience to the complainant. The financial firm must confirm closure of the account without further liability to the complainant if she accepts this determination.

3 Supporting information

3.1 Timeline of key events

Date	Event
29 March 2018	The complainant pays two amounts \$4,993.06 and \$26.26 to the account (closing balance of \$0.01 CR)
10 April 2018	<ul style="list-style-type: none">• \$300 BPAY payment to the account and then reversed• Financial firm SMS to the complainant that it “<i>confirms that your [account] has been closed. Please destroy cards</i>”
11 April 2018	The financial firm notifies the complainant she overpaid the account and processed “EFT refund” of \$299.05 (\$300 less \$0.95 cent processing fee)
17 July 2018	\$500 BPAY payment to the account and then reversed
20 September 2018	Account closing balance of \$310.71 DR

3.2 How we assess complaints

AFCA is not a court of law. We do not have the power to take or test evidence on oath, or to require third parties to give evidence. When we assess complaints, we consider available documents, the recollections of the parties, and all relevant circumstances. We give more weight to contemporaneous documentary information. If there is no relevant documentation, we will decide what is most likely to have occurred based on the information provided to us. If there are conflicting recollections and these are evenly weighted, we may find that a claim cannot be established.