

The complaint

Mr M complains that Tandem Bank Limited didn't close his credit card account when he asked it to. He's complained that this has led to a missed payment and default being recorded incorrectly.

What happened

Mr M had a credit card account with Tandem. On 16 August 2019, Mr M repaid the amount outstanding on his card and asked Tandem, in the chat function on the mobile app, to cancel his credit card. Tandem responded to Mr M to say he needed to call to cancel the card as it needed to go through additional security. Mr M responded to say he felt he didn't need to call as he had written his request in that message. Tandem responded asking Mr M to call.

On 22 August 2019 an amount was charged to Mr M's Tandem credit card through a payment platform. As Mr M's account wasn't closed, this amount appeared on his statement. Mr M said he believed his credit card to have been closed, so didn't notice this payment until some time afterwards. By this point he'd had late payment fees applied to his Tandem account and was being asked to pay significantly more than the original amount. Tandem has since applied a default to Mr M's credit file.

Mr M complained as he felt he had satisfied his contractual obligations to cancel his credit card. So, he believes the card should've been cancelled, and the charge rejected on 22 August. He feels that had this been done correctly, he wouldn't have incurred late payment charges or adverse information on his credit file.

Our investigator didn't think this complaint should be upheld. She explained that the terms of Mr M's account say he should call to cancel the agreement. And Tandem told him this twice when he asked to cancel in the mobile app. So, he would've been aware what he needed to do and there was nothing to suggest his account was closed. So, Tandem hadn't done anything wrong in applying late payment charges, or registering a default.

Mr M disagreed with our investigator. He said he couldn't understand why Tandem wouldn't take his closure request over the mobile app messaging service. He said he shouldn't have to call. And Tandem hasn't justified what other security measures it could do over the phone that it couldn't do in the mobile app messaging service. Mr M asked for an ombudsman to review the complaint.

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.

The terms of Mr M's Tandem account say:

"You can exercise your right to cancel by contacting us on [phone number]."

Mr M has said that he doesn't think the terms set out that he must call to cancel the contract, and that he should be able to cancel the contract by requesting it in writing. I don't think the

term listed above is ambiguous. I think it's clear that for Mr M to cancel his credit card account, he needs to call. There isn't another option given.

When Mr M tried to cancel his credit card account in the mobile app messaging service, he was told he had to call the specific number. When he replied to say he shouldn't have to do that, he was told again that he needed to call to cancel the credit card. I don't think that there was anything to suggest his credit card account had been closed and I think Tandem made it clear what Mr M had to do to close the account.

Mr M then made a transaction to the account. I understand this was a mistake as he hadn't changed the payment method on his payment platform account. But he paid for something using his Tandem account and it's his responsibility to then make the payment to the account. I can see that Tandem told him about this charge in his September statement which was available online. And I'm satisfied Mr M would've received a notification alerting him to his statement.

I can also see that Tandem sent Mr M late payment reminders to his home address which told him he had missed payments. And it sent a default notice as well. So, I think Mr M had been made aware there was an amount outstanding, and what he needed to do to avoid a default being applied. Mr M has chosen not to pay this amount as he feels his account should've been closed. But as Mr M was told he had to call to close his account, and he didn't call, I think he ought to have been aware that his account was open still.

I understand Mr M feels Tandem should have accepted his written request – but it isn't my role to determine what security processes Tandem should have in place. This is something it can set in line with its regulator – the Financial Conduct Authority.

Mr M used his Tandem credit card to pay for something, and he's not repaid that amount. Tandem notified Mr M that he had an outstanding balance, and it issued a default notice before recording the default. I can't see that it has made an error in this case so I'm not upholding it.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 June 2020.

Charlotte Wilson
Ombudsman