

The complaint

Mr P complains that Sainsbury's Bank Plc failed to send him account statements which resulted in a default being unfairly registered on his credit file.

What happened

Mr P says he didn't receive regular credit card account statements from Sainsbury's and as a result was unaware of the required minimum payment. He says he made a payment of £50 in January 2020, but his bank failed to make the payment in February 2020. Mr P says he was unaware if a payment was due in March 2020 as he was still not receiving statements. He says he received some letters from Sainsbury's including one which said the arrears were £86 and so he overpaid on 7 May 2020 by paying £100. Mr P says a letter told him he owed £1,655.22 but he didn't receive a statement backing that up and Sainsbury's letters continued to arrive late. In summary Mr P says the default was unfairly registered and he made payments in excess of the amount requested. He would like the default removed.

Sainsbury's says Mr P used his account for spending in November 2019 and made a balance transfer to the account in December 2019. It says it didn't receive a payment until May 2020 after the payment in January 2020 for £50. Sainsbury's says it sent a notice of default on 1 April 2020 and various other arrears letters before the default was registered on 1 June 2020. It says those letters told Mr P that there was an outstanding balance of over £1,643 and says from June 2018 it sent statements electronically. Sainsbury's provided us with a different e-mail address to Mr P's actual e-mail and says Mr P needed to repay the arrears before 1 June 2020.

Mr P brought his complaint to us and our investigator didn't uphold it. The investigator thought that Mr P ought to have been aware he made purchases in November 2019 using his Sainsbury's credit card and that he made the balance transfer in December 2019. The investigator thought Mr P failed to make required payments in February, March and April 2020 and that Sainsbury's had told Mr P in letters about the arrears even if he didn't receive the statements.

Mr P disagrees with that view and maintains he didn't receive statements from December 2019 on and says that is a breach of his credit card account agreement. He says he didn't receive the default letter but, in any event, he cleared the outstanding arrears balance on 7 May 2020.

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 have come to the overall view that I don't uphold this complaint. I appreciate Mr P will be disappointed by my decision.

I can see from the screen shot's Mr P has given us of his e-mail account that he received electronic account statements from Sainsbury's from August 2019 until December 2019. I'm

satisfied those statements would have shown the amount outstanding at that stage and the spending which Mr P ought reasonably to have been aware of and that he carried out a balance transfer of over £225 in December 2019. So even if Mr P didn't receive any further statements for some time, I think he ought to have been aware that by January 2020 there was an outstanding balance of more than £1,000 which would require repayment.

I can't be sure what the issue with the statements was. I appreciate Mr P says he didn't receive them, but Sainsbury's says they were sent in the same way they had for some time. In those circumstances I would have expected Mr P to have raised the issue in January 2020 or to have used his online account access to check the balance that way. I also think Mr P could have contacted Sainsbury's by other means and that it was his responsibility to manage his account and make required payments.

I can see that Sainsbury's has Mr P's correct e-mail and that there isn't any issue that statements were sent until at least December 2019. I think it likely on balance that Sainsbury's may well have misread Mr P's e-mail details on its systems when it gave us the e-mail information.

I'm satisfied that Mr P didn't make required payments for February, March and April 2020 and whilst I appreciate, he says his bank failed to set up a method to pay the debt I can't fairly hold Sainsbury's responsible for that. I also think that suggests Mr P knew he needed to make required payments but didn't do so for that period.

The Information Commissioner's Office (ICO) provides guidance on the registration of defaults and says they should normally be registered between three and six months of account arrears. I'm satisfied Sainsbury's sent Mr P numerous letters about his account following the missed payments which included details of the outstanding balance. I appreciate Mr P says he didn't receive some of them, but I'm satisfied they were sent, and I can't fairly hold Sainsbury's responsible for the safe delivery of mail.

I'm satisfied Sainsbury's didn't make a mistake or act unfairly by registering the default on Mr P's credit file and that it acted in line with ICO guidance. I'm also satisfied it fairly told Mr P what the outstanding balance was, and I have made clear I think Mr P ought reasonably to have been aware of that balance in broad terms even if he didn't receive the statements. I don't think Mr P has explained why he didn't contact Sainsbury's by telephone in January 2020 and ask what the balance was or tell it then he wasn't receiving the statements. I can also see Mr P could have requested statements be sent by post.

I have looked carefully at the outstanding balance amounts Sainsbury's recorded in its various letters to Mr P, as I appreciate Mr P says he cleared the arrears on 7 May 2020. I can see that on 20 March 2020 Sainsbury's told Mr P that payments of £86.21 hadn't been made. Mr P made that payment on 6 May 2020, but I can also see the letter told Mr P that amount may not clear the arrears as they were increasing. I don't think Mr P ever cleared the arrears by the date he was required to do so by, and ought to have been aware they were increasing as he wasn't making the required payments.

Overall, I'm satisfied this was Mr P's account and his responsibility to manage it and be broadly aware of the balance he owed Sainsbury's. I'm satisfied the relationship had clearly broken down between Mr P and Sainsbury's and there was a number of missed payments. In those circumstances I find Sainsbury's in line with its regulatory duties was required to report accurate account information to the Credit Reference Agencies which in this case was the registration of the default which I find correctly recorded. I have not been asked to comment on the compensation payment made by Sainsbury's for the delay in responding to the complaint and it's clear that is not Mr P's main complaint here. But I make clear I find Sainsbury's has made a fair and reasonable compensation offer for that delay.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 26 July 2021.

David Singh
Ombudsman