

The complaint

Mrs F complains that NewDay Ltd trading as Debenhams unfairly registered a default on her credit file.

What happened

Mrs F says she left the United Kingdom (UK) in or around July 2018 and repaid her Debenhams credit card account. She says on her return to the UK some time later she found out a default had been registered on her credit file. Mrs F says no attempt was made by Debenhams to contact her via e-mail and says the debt was relatively small. She also questions why the debt was sold and a default registered and in summary would like the default removed from her credit file.

Debenhams says it sent numerous letters and statements to Mrs F about the debt and also tried to contact her via telephone. It says it correctly registered a default for the debt when it wasn't repaid.

Mrs F brought her complaint to us and our investigator didn't uphold it. The investigator thought Debenhams had sent numerous letters to Mrs F about her debt and made about 16 attempts to contact her via telephone. The investigator didn't think Debenhams was obliged to make contact via e-mail and thought the amount of the debt irrelevant.

Mrs F doesn't accept that view and says Debenhams refused to remove the default when she explained the circumstances which she says is the crux of the complaint. She also says letters would not generally be responded to if not received by the intended recipients.

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 have looked carefully at Mrs F's account statements which I think were correctly sent to her. I can see that in June 2018 she was required to make a payment of £224.37 which she did on 19 July 2018. But I can also see that on 5 July 2018 Mrs F used her credit card for a transaction of £63.59 which attracted a foreign use fee of £1.75. So, I'm satisfied Mrs F didn't repay the account balance and close the account as she thought at or around that time. And I'm satisfied that she owed Debenhams that balance and as it wasn't repaid charges were added to it in line with account terms and conditions.

I appreciate Mrs F may have made a mistake or forgotten about the transaction on 5 July 2018. But that is not something I can fairly hold Debenhams responsible for and I also think it was Mrs F's responsibility to manage her account and be aware of her spending. It follows that I don't think Debenhams made a mistake or acted unfairly by registering a default on Mrs F's credit file when the balance wasn't repaid.

I'm satisfied that Debenhams sent Mrs F numerous letters about the outstanding balance and also tried to contact her via telephone. I think it's up to Debenhams to decide how it contacts its customers and that it is entitled to decide if it wishes to sell a debt to a third-party business. I appreciate Mrs F questions why a default was registered for a relatively small balance but again I think it's up to Debenhams to decide on such matters when exercising its commercial judgement.

Overall, I'm satisfied that Mrs F used her credit card account in early July 2018 and ought reasonably to have been aware of that and that the debt needed repaying. As she didn't repay the debt, regardless of the circumstances, I'm satisfied Debenhams was reasonably entitled to register a default and didn't act unfairly or make a mistake by doing so.

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 Mrs F to accept or reject my decision before 13 October 2021.

David Singh
Ombudsman