

The complaint

Mr G complains that Jaja Finance Limited (Jaja) withdrew the direct debit facility for his credit card without advising him. That he was unaware of debts on the card or of the debt being sold on. He would like his credit file amended and compensation for the inconvenience.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here instead I will focus on giving the reasons for my decision.

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 reached the following conclusions:

- From the information I have seen it seems that the last direct debit payment Mr G made to his account was in December 2015. Jaja's records show the direct debit was cancelled in January 2017 as Mr G hadn't used the card for 13 months. Jaja's process is to treat direct debits as dormant and to cancel them after an extended period when they haven't been used. That doesn't seem unreasonable to me .
- Mr G then didn't use his card again until August 2018. I appreciate Mr G wasn't advised the direct debit had been cancelled but I think he would have known a direct debit hadn't been taken from information either on his credit card or bank statements. Even if he didn't I think most consumers might think it reasonable to check if a direct debit was still in place for a card they hadn't used for approximately two and a half years .
- Mr G says as he was working away from home he didn't get statements on his account or the letters the business sent to Mr G in 2018 - 2019 about missed payments and arrears. These included a default notice and a letter revoking the account advising the debt was being sold on. I have seen the statements and correspondence sent to Mr G, these were correctly addressed. It's unfortunate that Mr G didn't arrange for his post to be forwarded to him. Or that he didn't advise the business of his change of address as he should have done so under its terms and conditions. I am persuaded Jaja communicated appropriately with Mr G about the status of his account.
- I appreciate Mr G's concern about the impact of the debt on his credit file. It's important that credit files accurately reflect account history .So as I believe the business acted appropriately and there was an outstanding debt I can't reasonably ask Jaja to amend Mr G's credit file
- I have noted Mr G's comments about his relationship with his local bank branch, its closure, his subsequent transfer to another branch and finally Jaja taking over responsibility for his credit card.. He feels inadequate information between these

impacted on his credit rating. I don't accept this. I don't doubt Mr G's comments he had good relationships with local bank branches, but I can't see that had any bearing on the administration of his credit card by Jaja..

- I also appreciate Mr G's comments on the limitations of travel caused by the pandemic. That might explain why Mr G didn't get home to receive his post . But it wouldn't have prevented him either having post forwarded to him or accessing his account by other means to check himself the status of his account.
- Jaja has offered Mr G £150 compensation as it doesn't feel a letter sent to Mr G about his complaint in August 2020 was accurate. Having read that letter I would agree. It seems Mr G's complaint was originally seen as an issue of duplicate reporting of a debt on his credit file not a request to remove all defaults and the debt assigned status. I think that is a reasonable offer given the inconvenience doubtless caused by not initially properly addressing Mr G's complaint

My final decision

My final decision is that I uphold this complaint.

In full and final settlement Jaja Finance Limited should pay Mr G £150 compensation for the inconvenience of not initially addressing his complaint correctly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 September 2022.

Bridget Makins
Ombudsman