

The complaint

Mr D complains that NewDay Ltd trading as Marbles unfairly closed his credit card and recorded a default on his credit file. Mr D also complains that Marbles harassed him for payment.

What happened

Mr D had a Marbles credit card and in December 2020 entered a payment arrangement of £45 a month. Payments were made in December 2020 and January 2021 but no payment was received in February or March 2021. At this point, the balance exceeded the credit limit and two payments had been missed.

During March 2021 Marbles sent Mr D various letters about the arrears on his account and asked him to make contact. On 30 March 2021 Marbles sent Mr D a letter that said he needed to pay £45 within seven days. Marbles' letter said that if no payment was received it could notify the credit reference agencies and sell Mr D's account to a debt purchaser.

On 8 April 2021 Mr D paid £700 towards the outstanding balance. But by that point, Mr D's credit card had been closed and sold to a third party. A default was later recorded on Mr D's credit file.

Mr D complained and Marbles sent him a final response. Marbles didn't agree it had acted unfairly by closing Mr D's credit card or that it harassed him for payment. An investigator at this service looked at Mr D's complaint but thought Marbles had dealt with it fairly so didn't ask it to do anything else.

Mr D asked to appeal and said his payment was two days late. Mr D also said Marbles had taken months to respond to his complaint and that he's concerned about the default now recorded on his credit file. As Mr D asked to appeal his complaint has been passed to me to make a 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.

I understand Mr D feels Marbles' decision to close his credit card, sell the account to a third party and record a default on his credit file is unfair on the basis that his payment of £700 was received two days later than requested. But, I don't think that gives a complete picture. As set out above, Mr D's account was subject to a payment arrangement going back to December 2020. Mr D agreed to pay £45 a month. But the payments due in February and March 2021 weren't made. I'm satisfied there was a history of arrears on Mr D's account. In addition to the missed payments due under the payment arrangement, there were earlier arrears. I note that Mr D's December 2020 statement gives an arrears figure of £492.45 which was prior to the payment arrangement.

So whilst I agree Mr D's £700 was received only two days beyond the deadline Marbles set, I'm satisfied it was late. And I'm satisfied that the arrears position of Mr D's account meant it was fair for Marbles to set a deadline and stick to it. I haven't been persuaded that Marbles acted unfairly when it took the decision to close Mr D's credit card after a payment wasn't received within seven days of its letter dated 30 March 2021.

As I think Marbles acted fairly by closing Mr D's credit card, I'm satisfied it has reasonably recorded a default on his credit file. That's a step Marbles was able to take in line with its agreement with Mr D and the regulations. I'm sorry to disappoint Mr D but I haven't found grounds to tell Marbles to remove the default from Mr D's credit file.

In the same way, Marbles' terms and conditions allowed it to sell Mr D's account to a third party. I haven't found that Marbles acted unfairly when it sold Mr D's credit card debt shortly after it was closed.

Mr D has also complained that Marbles harassed him for payment by calling him several times each day. Marbles accepts it tried to get in touch with Mr D on various occasions each day using the numbers it holds for him. Marbles says its intention was to check the missed payment and get an update from Mr D.

I appreciate Mr D found the level of contact distressing. But I think the number of calls reflects the account status. Had Marbles been able to speak with Mr D and get an update I'm satisfied it would've discussed a way forward. But as no contact was made, I think it was reasonable for Marbles to continue its attempts to speak with Mr D.

I'm very sorry to disappoint Mr D but as I'm satisfied Marbles dealt with his complaint fairly I'm not telling it to take any further action.

My final decision

My decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 July 2022.

Marco Manente
Ombudsman