

## **The complaint**

Mrs S complains that Madison CF UK Limited trading as 118 118 Money didn't close her credit card account when she asked it to resulting in adverse data being recorded on her credit file.

## **What happened**

Mrs S held a credit card with 118 118 Money which attracted a monthly subscription fee.

Mrs S says she contacted 118 118 Money on several occasions in early 2022 to close her account. But the account wasn't closed. As a result, her credit card account continued to be debited with the monthly subscription fee. So, Mrs S complained to 118 118 Money saying it hadn't responded to her instructions to close the account.

In the meantime, as Mrs S didn't make a payment to cover the monthly fees, she received communications from 118 118 Money about arrears on the account and, ultimately, the account was defaulted. This adverse information was recorded on Mrs S' credit file.

In response to the complaint, 118 118 Money said it had replied to Mrs S' email about the closure of the account asking her to answer some security questions so it could complete her request. But Mrs S didn't provide the required information. As such, 118 118 Money doesn't think it has done anything wrong. But it wrote off the balance owing - £89.50, and closed the account. But it said it wouldn't remove the information from her credit file as this reflected what had happened on the account.

Mrs S was dissatisfied with the response and so one of our investigators looked into it. But he thought 118 118 Money had acted fairly. He was satisfied that 118 118 Money had responded to Mrs S' emails, and it had not received the information it requested. He noted that 118 118 Money had written off the outstanding balance. But he didn't think it was required to amend the adverse information it had recorded on Mrs S' credit file.

Mrs S didn't accept the investigators outcome. She reiterated that she asked for the account to be closed at the start of the year and she wanted the adverse data on her credit file removed.

Mrs S' complaint was passed to me, and I issued a provisional decision.

## **What I said in my provisional decision dated 24 January 2023**

*Mrs S says she contacted 118 118 Money in January 2022 asking for her account to be closed. But having looked at Mrs S' credit card statements, I've seen that she used the card for a transaction on 4 February 2022. So, I'm not persuaded Mrs S asked for the account to be closed in January 2022.*

*Mrs S' statement for February 2022 included the monthly fee. As Mrs S used her account in February 2022, I'm satisfied that the monthly fee for February 2022 was rightfully due.*

*118 118 Money has provided the email chain between it and Mrs S. This indicates that the first email Mrs S sent requesting the account closure was on 27 February 2022. This was after she received an email from 118 118 Money highlighting her account was £17 in arrears. And the account status was also confirmed in the February 2022 statement. So, if*

*118 118 Money has recorded adverse data because of Mrs S' account being overdue at this point, I'm satisfied it was correct to do so as this is an accurate reflection of the management.*

*The statements go on to show that Mrs S made some payments to her account in March 2022. But as she made no further payments and the fees continued to be added, the balance outstanding increased over the subsequent months to £89.50. But Mrs S didn't use the account for any further spending after February 2022.*

*So, I've thought carefully about whether 118 118 Money acted fairly when it continued to charge Mrs S for the account and when it recorded adverse data on her credit file. And I don't think it did, I'll explain why.*

*I'm satisfied that 118 118 Money didn't ignore Mrs S' emails – I've seen evidence to show it responded asking Mrs S to answer some security questions. I'm also satisfied that Mrs S didn't respond in the manner 118 118 Money requested.*

*But I accept that it was Mrs S' intention to close the account. She emailed instructions to 118 118 Money to this effect at the end of February 2022 and she had stopped using the card at this point. Mrs S also made payments - in March 2022, to clear the arrears from February 2022. And I'm not persuaded that 118 118 Money needed Mrs S to answer security questions to action an account closure instruction. An account closure in these circumstances doesn't present any risk to the lender. At the very least, 118 118 Money could have suspended the account – to avoid any further charges or potential spending – while the 'admin' around the account closure was completed.*

*Overall, I do think Mrs S could have expediated matters sooner had she responded with the information 118 118 Money had requested. But equally, I'm persuaded that 118 118 Money acted unfairly in continuing to apply fees to an account that was no longer being used and when it was aware Mrs S had requested the account to be closed.*

*I can see that 118 118 Money has since written off the balance that subsequently accrued because of the fees. Given the above, I think this was the right thing to do.*

*But 118 118 Money has also recorded adverse data on Mrs S' credit file which solely relate to the fees applied to her account after she had asked for the account to be closed and after she last used it. In the circumstances, I'm not persuaded that this is fair. I find this action is disproportionate to the circumstances. Mrs S' credit file would now indicate that she hadn't managed her 118 118 Money credit card account correctly, and I'm satisfied this isn't a true reflection of what happened.*

*As mentioned above, Mrs S had instructed her account to be closed and she'd stopped using it. So, I think it would be fair and reasonable for 118 118 Money to remove all adverse information it has recorded on Mrs S' credit file – including the default, from March 2022 onwards.*

*I have also considered whether an award for distress and inconvenience is warranted. But as mentioned above, I'm not persuaded that Mrs S did enough to mitigate the circumstances as I've found she didn't respond to 118 118 Money's emails when it asked her to. So, I don't intend to make any award in this respect.*

## **Responses to my provisional decision**

118 118 Money accepted my provisional decision. Mrs S didn't respond despite a reminder being sent.

### **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.

As no further evidence or arguments have been put forward for me to consider, I see no reason to depart from provisional decision as set out above.

### **My final decision**

For the reasons I've given above and in my provisional decision, I uphold Mrs S' complaint. And I instruct Madison CF UK Limited trading as 118 118 Money to take the steps required to remove the adverse data it recorded on Mrs S' credit file from March 2022 onwards.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 10 March 2023.

Sandra Greene  
**Ombudsman**