

## **The complaint**

Mr K complains Madison CF UK Limited trading as 118 118 Money didn't set up a repayment plan properly for his credit card account – and they gave him very poor customer service when he queried this.

## **What happened**

In December 2022 Mr K unfortunately lost his job. As a result of that he wasn't able to meet his contractual monthly repayment and asked 118 118 for help. A payment holiday was agreed for a period of time but despite that he kept receiving a lot of emails, texts and letters demanding repayment of the amount owing. One text Mr K received said if he made a one-off payment then they'd put him on a payment plan – he did make this payment, but they didn't then immediately put him on the repayment plan. Mr K continued to have difficulties in getting payments made to 118 118, was unhappy at receiving notices of default and he later found they'd closed down his account to new purchases which he was unhappy with.

In response to Mr K's complaint, 118 118 said Mr K had accepted an arrangement that'd reset his arrears to zero, and he just needed to pay £20.04 for six months. They added it's worth noting when an account is on a repayment plan, this doesn't mean the account won't default, and they're required by law to send default notices. The notice of default sent 10 March 2023 required Mr K to pay £153.67 before 31 March 2023 but he didn't do that – and the payment plan wasn't agreed until 18 April 2023. 118 118 added the account had been terminated and wouldn't be reinstated. Overall they didn't uphold the complaint, but did credit £35 to Mr K's credit card in recognition of the inconvenience caused to him.

In a separate complaint response where 118 118 covered Mr K's concerns regarding his credit card and personal loan, 118 118 said they'd be removing the default from Mr K's credit card account.

Unhappy with this, Mr K asked us to look into things. One of our Investigators did so and found 118 118 should pay £100 compensation – as well as removing the default. They didn't agree to this but did explain Mr K's credit card account was up to date. This was October 2023 – so the complaint's been passed to me to decide.

I should explain at this point Mr K had both a personal loan and credit card which he's complained about. This decision only addresses the credit card account, the personal loan complaint has been addressed separately.

## **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 can understand Mr K's frustration about receiving default notices, and about his credit card account being closed.

In respect of the default notices, as 118 118 said this is something they're required to send if, for example, Mr K was in arrears for several months. This is in keeping with Mr K's testimony, where he said he wasn't able to make repayments for some time. So, in the circumstances, I don't think 118 118 have done anything wrong on this point.

Looking at the closure of his credit card again I don't think 118 118 have done anything wrong. Mr K didn't make payments for a period of time, and ultimately, it's their decision whether they want to continue giving Mr K lending. If they've made that decision for fair reasons, then it isn't something I'd be able to say they've done wrong – and I've seen nothing to suggest they made this decision unfairly.

I do though think Mr K continued to be contacted when he shouldn't have been. Mr K agreed to a repayment plan on 18 April 2023, despite that he continued receiving correspondence asking him to make payments, enter into a payment plan, or otherwise just not acknowledging he'd taken action to address his predicament.

In the circumstances, I require £100 compensation be paid for this – and I think that, combined with 118 118 removing the default for Mr K's credit card account, is fair. This £100 compensation payment is in addition to the £35 118 118 credited to him. As our Investigator said, if 118 118 later decide to default Mr K's credit card account, they'll need to backdate it to the original date.

### **Putting things right**

In summary then, I require Madison CF UK Limited trading as 118 118 Money to:

- Pay Mr K a further £100 compensation
- Remove the default from Mr K's credit card account

### **My final decision**

I uphold this complaint and require Madison CF UK Limited trading as 118 118 Money to carry out the actions in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 12 April 2024.

Jon Pearce  
**Ombudsman**