

The complaint

Mrs B is unhappy with the way Ikano Bank AB (publ) ('Ikano') responded to her request for account information.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my informal remit.

Mrs B says she opened an account with Ikano in 2013 and has regularly paid for this through direct debit. She says she moved in July 2021 and asked Ikano for her account number as she had lost her account card with this information. She says Ikano did not provide her with the information she needed to pay off the account so she cancelled her direct debit. The account then defaulted and Ikano sold it to a third party debt purchaser for collection.

Mrs B says what has happened is unfair – she wants it resolved by having the default removed, and all interest charges and remaining balance written off due to what she has experienced.

Ikano did not uphold her complaint. Mrs B referred the matter to this service and our investigator didn't think that Ikano was fairly at fault for what had happened with the account arrears and default.

Mrs B has asked for the matter to be looked at again by an ombudsman.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes informally.

Mrs B has recently questioned whether the transactions on her account (and the amount she owes the debt purchaser) are valid – however, that is not something I am looking at as it doesn't form part of this complaint which is about Mrs B's allegation that Ikano acted unfairly in not providing account details/did not respond to her and its ultimate decision to default the account. Mrs B is free to complain separately about the amount that the third party debt owner is now asking her to pay if she thinks it isn't right.

I think it is important to note that my findings here are not about whether Mrs B was trying to avoid payment. I know she has mentioned this point. My role here is to decide if Ikano acted unfairly, and in such a way that means it now needs do something to put that right.

Firstly, Mrs B does not dispute she had an account with Ikano for around 10 years which she made regular payments to. She does not appear to dispute that this account was active at the time she moved or that she wasn't aware of this. Furthermore, Mrs B does not appear to

dispute that she was aware there was a balance outstanding on the account which she needed pay off in order for her to close down the account. And I think the regular direct debits from her account (which she says she monitored) would support this knowledge in any event.

So my starting point here is that Mrs B had a reasonable obligation to ensure that she was continuing to make the required payments on the account (or clear the balance if that is what she wanted to do) and not fall into arrears.

I know Mrs B says Ikano's actions led to her falling into arrears and the subsequent serious consequences of the default and adverse credit information. While I am sorry to hear about what happened I don't think it fair to blame Ikano for this. I will explain why.

Mrs B says she wanted Ikano to provide her with an account number so she could pay the balance off and close said account. From what I can see the first time Mrs B got in touch with Ikano in relation to this matter was in November 2022 via a website form submission entitled '*Lost, stolen or damaged store card*'. Here I can see that Mrs B requests a new card and indicates she lost it in September 2022. I note that Ikano did respond to this message saying it couldn't locate the account based on that information Mrs B provided and directed Mrs B to an online form where she could get in touch and update her information if needed. For security reasons I don't consider Ikano was unfair in not acting on this email because the information Mrs B submitted about the postcode for the address Ikano held on file was incorrect, and she had also not included other details like her year of birth.

I think it would have been reasonable for Mrs B to double check the information she sent over once Ikano responded. Had she done so I think the errors would have been evident. Also as she had moved I don't think it would have been unreasonable for Mrs B to complete the online change of address form Ikano asked for - I think had she done so it likely would have helped resolve things. I will explain why.

Mrs B said she couldn't complete the change of address form without an account number but Ikano has provided persuasive evidence to show an account number was not required on this form. I also question why problems with this form would not have prompted Mrs B to call up Ikano to sort things out in any event. I think arranging the change of address as directed is particularly important here. I say this because Ikano appeared to continue to send correspondence to Mrs B's old address containing account details, how to pay, arrears and default warnings.

I can see that Ikano has provided credible system notes and copy letters to show it sent out this information. And while Mrs B says she didn't get these letters (despite having mail forwarding arranged) I am persuaded Ikano sent these. And if there was an issue with the mail forwarding service, then this isn't Ikano's fault. And had Mrs B changed her address with Ikano in November 2022 (or before) any negative impact of this would have likely been avoided as the letters would have been sent to her new address directly.

I also note that even if Ikano had sent Mrs B a new card based on the request she made in November 2022 – it would have been directed to her old address as she had not completed a change of address request at the time. And based on what she has said about the other mail she didn't have forwarded; she likely would not have got this card in any event. Which underlines the importance of having followed the change of address process which I think she was reasonably aware of.

Mrs B claims that prior to the online lost card request she sent several letters by post to Ikano about her change of address and it ignored her. There is not persuasive evidence of this in my view (and I also note the information Mrs B has provided is dated from July 2021

and in it there are claims the card has been lost - which is not consistent with the details later given in the web form which says it was lost in 2022). Also Mrs B could have reasonably tried calling or contacting Ikano through its website if she had not heard back. And in any event by November 2022 Ikano had responded with sufficient information about how Mrs B could change her account address using its online form. This would likely have likely resolved matters, as she would have got the account letters to her new address. But there is no persuasive record that Mrs B did this.

Ikano do have a record of receiving further communication from Mrs B about the matter in December 2022 (apparently in response to an arrears email it sent her) where she once again says she lost her card and says she can't locate her account number. But Ikano couldn't act on this because the details included related to Mrs B's new address – which she had not updated with Ikano at that stage. Once again, for security reasons I don't think Ikano was acting unfairly in not taking a request forward based on this communication which would not have matched the details it had for Mrs B at the time.

All in all I think Ikano did not act unfairly in not disclosing information to Mrs B about her account in response to her ad hoc requests, and it also gave her an opportunity to clarify things through web form or other methods. Furthermore, it reasonably provided account and arrears information by post to the address it had on file at the time.

In coming to my findings I note that the key detriment caused to Mrs B here has occurred in respect of the account defaulting. However, I note this is a consequence of Mrs B cancelling her direct debit with Ikano. So I have thought about whether this was a reasonable thing to do in the circumstances when considering the overall fairness of Ikano's actions here.

Mrs B indicates she cancelled the direct debit as she was under the impression Ikano had effectively confirmed there was no account under her details. But I don't think Ikano confirmed this. Ikano could not confirm details of the account based on the incomplete or inaccurate information Mrs B provided. Furthermore, Mrs B does not dispute that she had an account with Ikano for many years. She also has made it clear she monitors the direct debits on the account – so would have seen that these were continuing to service an amount owed on said account. She has also indicated she was aware of a balance that needed to be cleared off – and has not provided any evidence that she had closed the account at any point prior to or following her house move. So, I don't consider it reasonable for Mrs B to have assumed there was no legitimate account in her name based on Ikano's response.

By cancelling the direct debit it only served to make things much worse. So even if I felt that Ikano had unreasonably withheld account information (which I don't) I still don't consider Mrs B has reasonably mitigated the situation in any event.

In the interest of completeness I note Ikano also said it tried to call Mrs B about the arrears on the account when she cancelled the direct debit. However, Mrs B says the number it dialled was incorrect. It looks like this might be the case. It isn't clear why Ikano had a number on its system different to Mrs B's actual number – it seems it might have been historic. However, considering my findings above I don't think this makes a difference here. Mrs B would have been reasonably aware there was a balance outstanding (and at a later stage no direct debit to service it) so I don't think there was anything fairly stopping Mrs B from following up with Ikano by phone or email in order to resolve things. And there isn't persuasive evidence she did this. Ultimately, I don't consider it fair to blame Ikano for Mrs B not servicing the account.

Ikano defaulted the account when it had been several months in arrears. And I am satisfied it made reasonable efforts to inform Mrs B of the arrears and the consequences of not paying these in its communications. Noting the guidance set out by the Information Commissioner's

Office around the reporting of defaults and arrears I don't consider that Ikano acted unfairly in defaulting the account when it did. It reflected the fact that Mrs B had not been making the minimum payments required.

I know my decision is not the outcome Mrs B wants. However, my role is to look at things informally. Mrs B is free to reject my findings and pursue the matter through other more formal avenues such as court if she wishes.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 10 July 2024.

Mark Lancod
Ombudsman