

The complaint

Mr H complains that a finance provider ("T") who subsequently sold his account to NewDay Ltd ("ND") failed to record his change of address in June 2013, resulting in statements being sent to his old address for over 10 years. Mr H says that he thought he'd paid the account in full in 2013 and had no idea that payments were still being taken and as a result he's incurred additional interest.

What happened

Mr H held a credit account with the finance provider T. In 2013 Mr H contacted T by telephone and advised them of a change of address.

Mr H says that when he sold his house in 2013, he paid off all debts and loans, including the debt with T.

Mr H hasn't received any statements from T since 2013. He didn't find this unusual, as he thought he'd settled the account.

In 2022 Mr H settled his Amazon account, which was operated by ND. A few months later he noticed that payments were still being made to ND by direct debit. Mr H cancelled the direct debit thinking that there had been an error relating to his Amazon card.

A few months later Mr H was contacted by a debt collection agency. He then discovered that T had been purchased by ND at some point after 2013 and his debt with T had been sold to ND. As a result of stopping the direct debit payments to ND, adverse information has been reported on Mr H's credit file which he says has led to him being refused for credit twice.

Mr H complained to ND. He said that due to his change of address not being logged in 2013, over 105 statements and other letters with sensitive information had been sent to him at his old address. He also said he'd incurred additional interest payments of over £1162.91.

ND didn't uphold the complaint. In its final response, it said it hadn't made an error. It said that Mr H had the opportunity to query with T why he wasn't receiving statements or letters at his new address. It also said that Mr H could have queried the payments coming out of his bank account and/or discussed the account with ND. ND said that the interest charged on the balance was correct.

Mr H remained unhappy and brought his complaint to this service.

Our investigator said he didn't think ND had acted unfairly. He said that because ND wasn't notified about the change of address, and because the T account hadn't been settled, statements continued to be sent to Mr H's old address. The investigator said it was reasonable to expect that Mr H would've noticed that monthly payments were still being taken from his account over the next 10 years, and that when he did notice them, he could have queried these with ND rather than cancelling the direct debit.

Mr H didn't agree. He said that T hadn't logged his change of address following his phone

call in 2013 which is what had led to ND sending letters and statements to the wrong address for years. Mr H said he hadn't noticed the direct debits coming out of his account. He said he'd made a DSAR to ND to obtain all of the account information it got from T when it took over the account, including telephone calls.

This service explained to Mr H that given the time which has now elapsed since the opinion was issued, the case was being referred for an ombudsman's decision.

At the time of referral of this complaint to myself, Mr H hasn't provided any further evidence to support his complaint.

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.

Mr T has said that he settled his account with T in 2013. But he's also said that the payment was later declined, and that according to his bank he may have hit his spending limit that day.

I don't doubt what Mr T says about intending to settle the account in 2013. But it appears from what he's told this service that he became aware that the payment was declined by his bank, so it follows that he would've been aware that there was still a balance on the account.

Mr T has also said that he notified T of his change of address in 2013. There aren't any records of calls available for me to review, so I can't be certain of whether the call took place and/or what was discussed. I appreciate that Mr T has made a request for T's calls, but these haven't been provided at the time of writing this decision and I suspect that due to passage of time any calls from 2013 will no longer be available in any event.

ND has said that the address on the account when it purchased the debt was Mr T's "old" address. It hasn't been able to locate any correspondence or calls from 2013 in which a change of address was advised. Nor has ND been able to locate any settlement payment to the account in 2013 other than the monthly direct debit payments. So from ND's perspective, the account still had a balance and the account holders address hadn't changed. In these circumstances, I don't think it was unreasonable for ND to send statements to Mr T at the address which it held for him, and I don't think it was unreasonable for ND to continue to collect direct debits and charge interest on the balance.

I appreciate that Mr T thought that the account has been settled and wasn't expecting to receive statements. He's said that he didn't monitor his bank account particularly closely and therefore didn't notice that the direct debits were continuing to be paid each month. I don't doubt what Mr T says. However, I think it's reasonable to expect a consumer to check their bank statements regularly. The direct debit to T (and later ND) would've been easy to see on a statement and given that the direct debits were paid from the account for over 10 years, the continuing direct debit payments ought to have alerted Mr T to the fact that he hadn't settled the account, that he was still making payments and that he wasn't receiving statements or letters at his new address. This ought to have prompted Mr T to contact ND and query the status of the account and which address they held for him for the purposes of sending statements.

I understand that Mr T is frustrated at the fact that his credit file has been negatively impacted and that he's been refused for credit more than once as a result. I've thought about this, but I'm not persuaded that ND is at fault here. Mr T cancelled the direct debit payments of his own volition, which resulted in the account falling into arrears. ND is under an

obligation to report accurate information to the credit reference agencies, so I can't say that it has made an error or acted unfairly by reporting the default, because this reflects the state of the account.

Taking everything into account, I haven't seen anything to suggest that ND has made an error in the way it has administered the account. I won't be asking ND to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 June 2024.

Emma Davy
Ombudsman