

The complaint

Mr T complains that Chetwood Financial Limited (trading as Wave) has incorrectly recorded a default on his account.

What happened

Mr T says Wave initially removed an incorrect default from his account, but subsequently applied a new one containing incorrect information. Mr T says both the date and the amounts are wrong and that Wave also gave him incorrect information about the credit reference agencies that had been notified. Mr T adds that Wave has failed to satisfactorily respond to multiple queries and has now sold the account to a third party debt management company. He says the issues are affecting his mortgage application and he has spent hours trying to resolve things.

Wave says it originally defaulted the account in February 2023, but following mistakes with sending timely regulatory notices, it sent a further Notice of Default in February 2024. It says that, as Mr T did not clear the arrears, the original default remained on his account. Wave did, however, offer Mr T £30 for the mistakes it made.

Mr T clarified to say that both Wave and the debt management company were reporting the default on his credit file and although they're both reporting the date of 5 February 2023, the amounts differ. He further argues that the default date should be November 2022.

Our investigator did not recommend the complaint should be upheld. She found the default was correctly applied and explained why it was showing in February 2023. She also found Wave was reporting the correct default amount and it was the debt management company with the incorrect figure. Our investigator asked Wave if it would be willing to move the default to January 2023.

Wave agreed to backdate the default date.

Mr T responded to say, in summary, that he still had two different defaults showing on his file and that the Information Commissioner's Office (ICO) does not consider this to be fair if the amounts differ. He said it should not be down to him to spend more time liaising with the debt management company when Wave has sent it the incorrect information.

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 am satisfied that it was in Mr T's best interests for the earlier default date to remain on his credit file, given it will be on his credit record for six years. I find the £30 offered by Wave for the mistakes it made during this default process is fair in the circumstances. It also refunded Mr T £41.69 for corrections it made to the interest charged.

I have considered what Mr T has said about the date of the default, but I do not agree that it should have been registered in November 2022. I say that because I have seen the original default notice which was dated 24 November 2022. This says that a default may be registered if Mr T does not make a payment by 15 December 2022. Given the lead time for registering a default on a customer's credit file, I find that the earliest it could have been registered is January 2023.

Wave has now agreed to backdate the default to January 2023 and also to contact the debt management company to ensure its entry on Mr T's credit file is consistent. I find this to be fair and reasonable in all the circumstances of the complaint.

My final decision

My decision is that I uphold this complaint in part. Chetwood Financial Limited (trading as Wave) should move the default date to January 2023 and liaise with the debt management company to ensure consistency on Mr T's credit file, as it has agreed to do. It should also pay Mr T the £30 it offered for the mistakes it made when registering the default originally.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 7 February 2025.

Amanda Williams
Ombudsman