

The complaint

Mr M complains NCO Europe Limited haven't treated him fairly regarding his credit card account debt.

What happened

Mr M had a credit card with a company I'll refer to as A. After some missed payments, A asked NCO to collect the payments. Mr M says he was never contacted by NCO, but eventually found out from A about this, so called NCO.

Mr M says he couldn't set up an income and expenditure with NCO, so a two-month agreement to pay £12.24 per month was made – due to start 9 February 2024. Mr M paid £50 in January 2024. He said he was told NCO would call him back to set up payments on 1 April 2024. So, he paid £30 in February 2024, and assumed this was ok as no one told him otherwise. He then found out his account had been defaulted in April 2024 – but NCO were supposed to call him on 1 April 2024 and didn't.

NCO said they told Mr M on the phone he had to make monthly payments. And he didn't get a call from them on 1 April 2024 because he'd started the process to settle his account – so NCO didn't think they'd done anything wrong.

Unhappy with this Mr M asked us to look into things. One of our Investigators did so, and ultimately felt compensation of £100 was fair. She said NCO aren't responsible for reporting the default – A are – but she thought NCO should have called Mr M when they said they would.

Mr M accepted this, but NCO didn't think this was a fair outcome, so asked for the complaint to be reviewed.

So, the complaint has been passed to me to decide.

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 a starting point, and I can see Mr M understands this, I can't require NCO to remove the default that's been applied to his credit card account. That's because A are the entity responsible for reporting the default.

What that means then is I'm limited in this decision to considering the customer service NCO have provided to Mr M – and, if any of it has fallen short, whether that's had an impact on him.

I've listened to the first call on 15 January 2024 when Mr M called NCO. He was asked if he had time to complete an income and expenditure form – and he said no – but the agent was

happy to arrange a two-month plan. The agent asked Mr M how much he was looking to pay, and essentially it was agreed Mr M would pay enough to avoid a default.

This worked out to be £12.24 per month, with the arrangement starting on 9 February 2024. In the call the agent proactively says the arrangement can only be for two months, but they'll call him back after that to check on where things are at. And, at the very end of the call it was agreed the agent would call Mr M back on 1 April 2024. In the circumstances, I think it was entirely reasonable based on this call for Mr M to expect that to have happened.

It's mentioned on the phone the payments of £12.24 are monthly. Mr M chose to pay directly himself through the website. His payment in February 2024 was made on 19 February 2024 – so it was ten days late, albeit the payment was £30. And he didn't make any payment in March 2024.

The paperwork Mr M was sent showed he needed to make a payment on 9 February and again on 9 March 2024.

All things considered, I think NCO did enough to tell Mr M he needed to make payments on the ninth of each month.

On 26 March 2024 Mr M says he was trying to make another payment – but apparently ended up requesting a settlement figure. NCO say this led to them not calling Mr M on 1 April 2024 as they'd previously agreed – because they understood Mr M was in the process of settling his debt.

Based on everything that'd happened up to this point, I think that's an unreasonable assumption. If Mr M was going to settle his debt, then when the call was due on 1 April 2024 he'd likely have done it in the five or so days afterwards. And, when reviewing Mr M's account, it should have been apparent to NCO's agent no payment had been made as intended on 9 March 2024. With that in mind, I do think NCO should have called Mr M as they'd agreed to do.

NCO's primary concern appears to be that Mr M hasn't done what was required, so they don't think it's fair to hold them responsible or uphold the complaint.

I take their point, in that Mr M didn't make payments when they were due. But I also think it's possible he was confused – and if no call back had previously been agreed, then it'd be difficult to say NCO had done anything wrong. But, someone at NCO had to proactively look at Mr M's account, to see he'd apparently requested a settlement figure. It's hard for me to understand the agent could see this detail, but not realise Mr M had missed a payment. And, at its core, NCO agreed to call Mr M and didn't. This is in my view a customer service failing.

That failing has led to an opportunity being missed for Mr M to understand what was going on. The call was due on 1 April 2024, and A recorded the default on 7 April 2024. Whether the default should be removed or not isn't for this complaint – but overall I'm satisfied NCO's lack of a call has had an impact on Mr M. Our Investigator recommended £100 compensation for this, and I'm satisfied this is a fair way to put matters right.

My final decision

I uphold this complaint and require NCO Europe Limited to pay Mr M £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 March 2025.

Jon Pearce
Ombudsman