

## **The complaint**

Mr T complains that Zempler Bank Limited (“Zempler”) unfairly recorded a default against him.

## **What happened**

Mr T opened an account with Zempler, which was previously called Advanced Payment Solutions Limited (“Cashplus”). In June 2023 a freeze was applied to his account due to the way the overdraft was being used.

In March 2025 a default was recorded after a period of no contact from Mr T and an outstanding amount payable of around £115.00.

Mr T complained to Zempler in May 2025 after discovering a default was recorded against him. He said he wasn’t ever informed that Cashplus was rebranding to Zempler, he didn’t receive any arrears notices, and he’d moved address in February 2024. Mr T said as a result he’s been declined a mortgage in principle and has been offered less favourable terms on other financial services. It’s caused him stress and anxiety.

Zempler responded to his complaint in June 2025. It said while it did make customers aware of the rebranding, due to Mr T’s account status at the time, he wasn’t included in the update. But ultimately, Zempler said customers weren’t required to do anything to prepare for the change, the entity, bank and team would remain the same.

It feels it didn’t make a mistake when recording the default and it’s Mr T’s responsibility to keep his address updated. As Mr T was unhappy with the response, he referred his complaint to our Service.

An Investigator here looked into things. They agreed it was Mr T’s responsibility to keep Zempler updated with any contact changes, but despite this, Zempler also informed Mr T of the pending default by email, which was correct and so the default had been applied fairly. The Investigator felt that Mr T ought to have been made aware of the change in name from Cashplus to Zempler, but that ultimately it didn’t change anything as the account stayed the same.

Mr T didn’t agree with the opinion. Mr T responded in great detail as to why, and the below is just a summary of what he said. He doesn’t agree the default was sent in a durable medium and wants evidence of the contact number Zempler used. He feels Zempler ought to have known he was in difficulty. He feels the email from Zempler might have been flagged as spam because he wasn’t aware of the name change.

He said he was suffering with mental health issues at the time, had a serious health condition and a bereavement, and other defaults and County Court Judgements (CCJ’s) were reported against him which got overturned when the evidence he holds was considered. The Investigator said the evidence they did have from Zempler was enough to reach his opinion.

Because an agreement couldn't be reached, 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.

Having done so, I've reached the same conclusion as the Investigator. When I started to consider Mr T's complaint, I reached out to ask him to provide any medical evidence he has that would support his argument. He didn't respond to the request.

So I've considered whether Zempler have treated him unfairly in any other way. In doing so, I've looked at the Information Commissioner's Office (ICO) guidelines around defaulting account, which states that an account can be defaulted after three to six months of arrears.

A freeze was initially applied in June 2023 due to repeated overdraft usage. In January 2024 a decision was made to stop applying interest and charges to an amount of around £115 – but Mr T was still expected to repay what was owed. In February 2025 a default notice was issued to Mr T. This said if the balance wasn't repaid in full by the end of March 2025 a default would be applied. There was never further contact from Mr T, so the default was applied.

This timeline demonstrates to me that Zempler allowed Mr T plenty of opportunity to repay what was owed. I understand what Mr T has said regarding him moving address and not receiving the correspondence, but I can see Zempler also sent him emails and messages and attempted multiple calls between March 2023 and June 2023 to try and get the account back on track. Ultimately, even if Zempler hadn't attempted different methods of communication, the terms and conditions of the account state it is Mr T who must keep his personal details updated and Zempler will use those to try and get hold of him, so it follows I think they did enough.

In addition to this, I think it's more likely than not that he was aware that he owed them money and there are consequences, such as a blemished credit file, for not repaying outstanding debt. I appreciate he's said other firms have removed defaults and/or CCJ's – and that's entirely up to them if they wish to do that. From what I've seen, Zempler have applied the default correctly and I haven't seen any evidence to suggest that it should be removed for any reason.

Finally, I've thought about the name change from Cashplus to Zempler. And I agree that Mr T ought to have been made aware of this. But by that point, Mr T hadn't been responding to other correspondence regarding his debt, and there were no changes in how the account would be run so I don't think it's made a difference that Mr T wasn't aware. I note he's said he may not have seen the email with the notice because it was coming from a different name than he would expect, but as I've said above, I don't think Zempler needed to email Mr T with the default notice, and I think he was likely aware he owed money.

Overall, while I appreciate this will be disappointing to Mr T, and I'm sorry to hear of the challenging times he's faced personally, I can't say that Zempler have treated him unfairly when defaulting his account.

### **My final decision**

It's my final decision that Zempler Bank Limited didn't treat Mr T unfairly when recording a

default against him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 December 2025.

Meg Raymond  
**Ombudsman**