

## **complaint**

Ms S has complained Santander UK plc, trading as Cahoot, about the adverse information recorded on her credit report.

## **background**

Ms S originally opened an account with Cahoot over a decade ago. In January 2016 she received a letter from Cahoot informing her that it was charging her £25 for an unpaid direct debit fee. When Ms S tried to log on to her account to find out what this direct debit referred to she found that she wasn't able to access it and she repeatedly failed security. She wrote to Cahoot but received no reply.

In July 2015 Ms S had asked for her password to be re-set for internet banking, but this didn't happen.

In February 2016 her account began being managed by Cahoot's collections team because there hadn't been any payments into the account and the account was overdrawn (albeit within the agreed overdraft limit). Ms S was still unable to access her account and after some failed attempts at calling Cahoot she wrote on 20 April 2016. She eventually was able to speak to someone and the account was settled on 25 July 2016.

Cahoot refunded some of the charges that Ms S had incurred. However it said that the credit markers on her file were an accurate reflection of missed payments and could not therefore be removed. Nevertheless it agreed with our investigator that the service it offered was poor and it had failed to return a call to Ms S. It offered £75 in compensation.

Ms S didn't feel this resolved her complaint; she wanted the markers on her credit file removed. Our investigator agreed that this was reasonable in the circumstances. Cahoot didn't agree. It reiterated that they were a true and accurate reflection of the account conduct and didn't agree they should be removed.

## **my findings**

I've only included a brief summary but I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand why Cahoot has not agreed to remove the credit markers. It is the case that the terms and conditions of her account required Ms S to access it at least once a month. It says that if she had done this she would not have been in the position where she needed to have her account re-set. It also questions why she wasn't aware of the direct debit when it believes she would have selected payment to come from her Cahoot account.

However Ms S hadn't used her account regularly for some years. She believed that all her direct debits had been transferred to her new account with another bank.

It seems Ms S did call Cahoot in July 2015 asking for her password to be re-set for internet banking. Her credentials weren't re-set that day, but Cahoot is unable to say why and it no longer has that call. Nevertheless I accept Cahoot's point that Ms S might have called back sooner than she did to rectify the issue.

But it wasn't until Ms S was notified of a direct debit fee in January 2016 that she tried to find out what that was. She was concerned that the usage may have been fraudulent. I've listened to all the calls Ms S made during this period that are available. I'm satisfied that she was genuinely unaware that this account was still being used.

Cahoot questions Ms S's testimony. It says she would have selected her Cahoot account for payment to be made. I think it's a reasonable argument for Cahoot to make. But, as I said above, I'm satisfied by her evidence that she didn't realise that she had authorised payments to be made from this account. I've taken into account too that Ms S had been suffering from a period of ill health, although in fairness it doesn't seem that Cahoot had been made aware of this.

As the security arrangement had changed Ms S was unable to pass security initially and Cahoot couldn't disclose any details about her account. It sent a security re-set form by post. Unfortunately she didn't receive this for some time as her post was redirected. But she continued to try and make contact with the collections department to no avail. She requested a call back but didn't receive one. She tried the collections office when it opened, at lunch time and in the evening. Eventually she did manage to make contact and then made arrangements to settle the account. The amount paid was £187.59. She later became aware that adverse credit markers had been placed on her credit file for June and July.

So on the one hand Ms S was obliged to access her account, that's not in dispute. And the markers on her credit file do reflect the reality of the account history. But on the other hand Ms S was locked out of her account and tried on numerous occasions to rectify the situation but this took some months of attempted calls. Sometimes she was cut off and on another occasion she didn't get a call back. Additionally her credentials were not re-set in 2015 – if they had been this situation may not have arisen.

Cahoot acknowledges the service she received was poor and has paid £75 in compensation which I think is fair. But I find that the knock on effect was that Ms S was unable to resolve this matter as quickly as she intended. This resulted in the account not being settled when it would otherwise have been and in turn adverse credit markers being placed on her file for June and July 2016. In these unusual circumstances I'm satisfied it would be fair and reasonable to remove the markers from Ms S's credit file.

### **my final decision**

For the reasons given above I uphold this complaint. I require Santander UK Plc (trading as Cahoot) to arrange for the markers for June and July 2016 to be removed from Ms S's credit file.

I understand that £75 in compensation has already been paid to Ms S. I don't make any further award of compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 2 September 2017.

Lindsey Woloski  
**ombudsman**