

complaint

Mr C complains that The Royal Bank of Scotland Plc (“RBS”) didn’t do enough to locate him before it issued a default notice. He wants the bank to remove the adverse entry from his credit file.

background

Mr C has a Mint credit card issued by RBS in 2004. In 2014, Mr C cancelled his monthly direct debit in favour of RBS. As RBS didn’t receive any more payments, it issued a default notice to the address it held on file. Mr C had moved and as he didn’t reply, RBS passed the debt to a third party debt collection company.

The debt collection company located Mr C in mid-2015. Mr C is unhappy that his account defaulted as he thinks that he gave RBS his new address.

RBS is unwilling to remove the default from Mr C’s credit file. It says it didn’t do anything wrong when it continued to write to Mr C at the address it held on file. It has no record of Mr C updating his address.

Our adjudicator didn’t recommend that Mr C’s complaint be upheld. She was satisfied that RBS didn’t receive a change of address from Mr C. And that it didn’t make a mistake when it continued to send notices to Mr C at the address it held on file. Our adjudicator also said that Mr C had online access to his account so he could’ve checked his balance online before cancelling the direct debit in 2014.

Mr C is unhappy with our adjudicator’s conclusions. He thinks RBS should’ve done more to locate him before it issued the default notice. And he thinks that he did tell RBS about his new address. Mr C doesn’t consider RBS should penalise him because he thought he had repaid the debt in full when he hadn’t.

my findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and wider circumstances.

Mr C has helpfully set out the points he would like me to consider. So I think it will be useful to deal with those rather than repeat everything else our adjudicator and Mr C have already said.

Mr C says the bank should’ve been aware he wasn’t at the address it held on file as mail had previously been returned as undelivered. I can understand Mr C’s frustration with the situation. But I can’t criticise RBS because it continued to write to Mr C at the address it held on file.

Mr C points to the fact that the debt recovery company found him at his new address. But I don’t find that this means RBS should’ve done more to locate Mr C before it issued the default notice. The bank used his last known address as set out at section 176 of the

Consumer Credit Act 1974. And it has given us evidence that it tried to contact Mr C on the telephone numbers it held on file before it issued the default notice.

Mr C believes that he sent RBS details of his new address. But he isn't absolutely certain that he did this. RBS doesn't have any record of receiving details of Mr C's new address. So it seems possible that Mr C didn't write as promised. But given the time that has passed, I can understand why he may not recall this.

Mr C points to his otherwise excellent credit history. He doesn't think it's fair of RBS to penalise him for not realising he had an outstanding debt. I sympathise with Mr C. But Mr C had a fairly large credit card balance. As he was only making the minimum monthly repayments, it seems unlikely that Mr C would've cleared the debt by the time he cancelled the direct debit. I agree with our adjudicator that it would've been reasonable to expect Mr C to contact the bank or check online before cancelling the direct debit in 2014.

As I don't find that RBS has made a mistake, I can't reasonably require it to remove the adverse entry from Mr C's credit file.

my final decision

My decision is that I don't uphold Mr C's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 October 2015.

Gemma Bowen
ombudsman