

complaint

Mrs D complains that Santander Cards UK Limited placed an adverse notice on her credit file because it had sold her debt to a debt collection agency.

background

In mid 2011 Mrs D contacted Santander to explain she was in financial difficulties and was receiving debt management advice. Santander put its interest and charges on hold and asked for a statement of income and expenditure. This was returned several months later after reminders had been sent to Mrs D. At the end of 2011 an arrangement to pay was accepted by Santander. It sent a default notice to Mrs D as her payments were not sufficient to prevent arrears building up and in the summer of 2012 it registered an adverse notice on her credit file.

In 2013 Santander sold the debt to a debt collection agency and Mrs D complained that this had caused an adverse notice on her credit file to be registered. The bank rejected her complaint and she referred it to this service.

The adjudicator did not recommend that this complaint be upheld. He considered that the bank had acted correctly in defaulting the account. Mrs D did not agree and said she had lost a job offer from a bank because of her credit history.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mrs D fell into arrears and Santander contacted her to find out why she had failed to make payments. It asked for a statement of income and expenditure and Mrs D delayed sending this in for several months. Eventually an arrangement was made for Mrs D to make relatively small payments to clear her debt. Although she made the payments she remained in arrears and after six consecutive months of arrears the bank placed an adverse notice on her credit file. I consider it was entitled to do so.

Mrs D says that the registration was instigated by the sale of her debt to a debt collection agency in 2013. I have reviewed the papers and am satisfied this is not the case. The adverse notice was registered before the sale took place. It may be that the credit file shows a change of owner of the debt in 2013.

Mrs D had a job offer withdrawn by a bank due to her poor credit history and while this is regrettable I cannot conclude that Santander was wrong to register the adverse notice.

my final decision

My final decision is that I do not uphold this complaint.

Ivor Graham
ombudsman