

complaint

Mr D complains that Advanced Payment Solutions Limited ("APS") failed to cancel his credit card account.

background

Mr D had a credit card account with APS. He says he did not recall asking for the card and called APS in May 2015 to cancel it. Mr D says that, in spite of having cancelled the account, a replacement card was issued by APS in 2016 – causing him to have to contact APS again.

Mr D says that, although APS assured him that his account would be closed with no further charges, it then applied charges. He says that APS chased him for the balance and also registered a missed payment on his credit file. He considers that this has affected his ability to get credit.

APS said that, although Mr D called to make a payment to bring his balance to zero in 2015, it did not have any record of him going on to close the account. APS reversed the April 2016 annual fee, together with the interest that had been applied from May to July 2016, and closed the account. It said it had not reported any adverse data on the account.

As things were not settled, Mr D brought his complaint to this service where one of our adjudicators investigated it. From the evidence, the adjudicator was satisfied that Mr D had applied for the credit card for by Mr D in March 2014.

The adjudicator noted that APS had written off the fee and interest applied from April 2016, and could not see any adverse information registered by APS on the credit file that Mr D had provided to us.

The adjudicator did not, therefore, recommend that the complaint should succeed. Mr D did not agree and said, in summary:

- He is now providing new evidence to show that APS registered a late payment on his file in July 2016, affecting his credit rating. Whilst this did not show on the credit file that he provided earlier, it was nevertheless there.
- He cancelled his card in May 2015 and yet APS issued him with a replacement card in 2016 without his having asked for it.
- APS was able to close his account in 2016 without his having to take further action, so why could it not have done so in 2015?
- He was harassed for payment of the balance. This only stopped, and the refunds were only made, after he said he was going to complain to the ombudsman. This has caused him considerable upset and has affected his ability to get a loan.

In the light of the new evidence that Mr D had provided, the adjudicator recommended that APS should remove the late payment marker from Mr D's file and also pay him £75 for inconvenience.

Mr D said that did not go far enough to address the financial loss to him of being declined for a consolidation loan for his credit card debts. He said that the consolidation loan was also required in order to enable him to apply for a mortgage – which he could not now do.

APS did not provide any response to the adjudicator's recommendations.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate that Mr D believes he had only ever asked for a debit card from APS, but I am satisfied – from the terms that were provided to him in the pre-contractual information – that it was made clear to him that this was a credit product involving a flexible loan facility. The information also explained the charges that would apply to the account.

It's not in doubt that Mr D called APS in May 2015, and paid off the balance on the card at the time. The number that Mr D called was for payments, and so the operative would not have been able to also close the card account – that would have to be done by another team.

The contemporaneous notes of that conversation on APS' system record that Mr D was going to call the relevant team to close the account. So that's at odds with Mr D's recollection of there having been only one call, in which it was also confirmed to him that his account was being closed.

It's possible that Mr D misinterpreted what he was told during that call. Whatever the position, Mr D had not intended the card account to continue and did not use it – even if he had not actually made the necessary second call to close it entirely.

The card issued in 2016 was sent out automatically. Given the situation, and as Mr D then explained to APS that he believed he had closed the account in 2016, the matter could have been sorted out relatively quickly.

Although APS later acted to refund the fee and interest and close the account, it did not adjust the late payment registration. In fact, it does not seem even to have been aware of it, as it told us there had been no late payment registration.

Mr D has told us that the late payment registration for July 2016 is what stopped him from obtaining a debt consolidation loan and then a mortgage loan. But he has not been able to provide any firm evidence to support his argument that, but for this registration by APS, those loans would have been granted.

Taking everything into account, I find that the adjudicator's recommendation represents a fair and proportionate settlement of this complaint.

my final decision

My final decision is that Advanced Payment Solutions Limited must:

- remove the late payment marker it applied to Mr D's credit file; and
- pay Mr D £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 24 February 2017.

Jane Hingston
ombudsman