

complaint

Mr S complains that Santander UK plc didn't tell him that his loan account would be defaulted and that this would affect his credit file.

background

Mr S had a personal loan with Santander but he missed a payment. Santander tried to contact him but Mr S says he didn't hear anything from the bank until the account had been defaulted. Mr S wants Santander to remove the default from his credit file as he's having difficulty getting credit.

Santander isn't willing to remove the default, which it said was correctly registered on Mr S's file. But it accepted that the default should've been registered sooner, and said it would arrange for the date to be altered. It also paid Mr S £75 in recognition of the mistake.

Our investigator didn't think Santander needed to do anything else. He was satisfied that Santander tried to contact Mr S when he'd missed a loan repayment. And when the loan was due to end, Santander wrote to Mr S at the address it held for him on its systems, to tell him that the loan would default and this could affect his credit file.

As Santander hadn't done anything wrong, the investigator didn't consider the bank was responsible for the fact that Mr S didn't receive its letters.

Mr S didn't agree with the investigator's conclusions, so the complaint has been passed to me.

my findings

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

It's not in dispute that Mr S missed a loan repayment in January 2017. So I've thought about what Santander did once the payment was missed.

From what I've seen, I'm satisfied that Santander tried to phone Mr S in February 2017 but was told by a third party that Mr S wasn't living at the address it held for him.

Santander then wrote to Mr S at the address it held for him in April 2017, to tell him that the balance of the loan was outstanding. Further letters were sent in June 2017 to warn Mr S that legal action may be taken against him if he didn't pay what he owed, and that the default was going to be registered with credit reference agencies.

In fact, Santander didn't register the default until later in 2018, and it's accepted that it should've done so in July 2017. It's agreed to alter the date, and has paid Mr S £75.

I don't think Santander needs to do anything else. I accept that Mr S may not have received the bank's letters, but I'm satisfied that it wrote to him at the address it held for him on its records. There's nothing to suggest that Mr S told Santander to write to him at a different address.

As I'm not persuaded that Santander is at fault, I won't be asking it to remove the record of the default from Mr S's credit file.

I've noted what Mr S has told me about his health problems, and I am sympathetic to these. But what he's told me doesn't alter my overall conclusions about the complaint on this occasion.

my final decision

My decision is that if it hasn't already done so, Santander UK plc should pay £75 to Mr S and correct the date of registration of the default on his credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 June 2019.

Caroline Stirling
ombudsman