

complaint

Mr S complains that TSB Bank plc have wrongly defaulted his credit card account.

background

Mr S has a TSB credit card account. He lost his job in February 2014. Mr S told TSB this in April 2014. It agreed that he could temporarily reduce his payments to £20. TSB also agreed to suspend interest and charges.

Mr S paid £20 per month for the next three months. During this time, his account was passed to TSB's recoveries department. It was also defaulted. Mr S hasn't made a payment since July 2014. His account was passed to an external debt collector.

Mr S is unhappy that he has been defaulted. He wants TSB to take the account back from the debt collector.

Our adjudicator found that the default had been correctly applied. She also found that TSB was entitled to pass the account to an external debt collector.

Mr S wants an ombudsman's review. He doesn't think we have taken everything account. He says that TSB told him to ignore the letters it sent him.

my findings

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

In cases like this where the evidence is contradictory, I reach my decision on a balance of probabilities. This means I'll look at all the available evidence. I'll then decide what I think is most likely to have happened.

I can see that Mr S told TSB he had lost his job in early April 2014. It put him touch with a debt advice charity. Mr S spoke to TSB again on 14 April 2014. It went through his income and expenditure with him. TSB's records show that Mr S was seriously indebted. It told him that it would stop his interest and charges. A reduced payment of £20 a month was agreed.

Mr S says that TSB told him to ignore any letters it sent. He says he just received the same generic letter each month. He ignored these. Mr S says that he wasn't warned in any way that his account would go into default. I don't accept this.

TSB's records show that Mr S was told that his account would go to the recoveries department. It also told him that this would affect his credit file for six years. TSB says that Mr S was unhappy with this but agreed to it. He told them his situation was only temporary.

TSB's records also say that Mr S wasn't told to ignore the letters. He was told that he didn't need to respond to the letters if his situation hadn't changed. The content of the letters was still correct. TSB sent collection letters to Mr S. It sent a default notice. He didn't contact the bank at all between 14 April 2014 and 8 August 2014.

I am happy that TSB treated Mr S positively and sympathetically. It gave him details of a debt advice charity. It suspended his interest and charges. It agreed a temporary reduction in payments. On balance, I am satisfied that TSB was entitled to register the default.

Mr S told our adjudicator that he was never told that his account would be passed to a third party. I don't accept this. On his complaint form, Mr S says that he received a letter in July 2014 telling him his account had been passed to a debt collector.

I am satisfied that TSB was entitled to pass the account to an external debt collector. I am also satisfied that it told Mr S it had done so.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 20 July 2015.

John Miles
ombudsman