



## **complaint**

Mr D complains that HFC Bank Limited recorded a default on his credit file.

## **background**

Mr D had three accounts with HFC. He opened the first account, on which the default was later recorded, when he lived at his old address and opened the other two accounts after he had moved to his current address. He says that he told HFC of his change of address.

Payments stopped being made to the first account. HFC was unable to contact Mr D using the address in its records for that account so it recorded a default on his credit file. Mr D complained to HFC and, as he was not satisfied by its response, he complained to this service.

The adjudicator recommended that this complaint should be upheld. He concluded that HFC had the correct information to send a default notice to Mr D but did not use it and that, had Mr D been sent a default notice, he would have taken steps to stop the default being registered by paying off the arrears. He recommended that HFC should remove the default from Mr D's credit file and should pay him £75 to compensate him for the distress and inconvenience that he had been caused.

HFC says that Mr D never made it aware of his new address but he assumed that it would automatically update the address on his first account when he opened a second account. It says that it does not automatically change addresses in this situation and that it was Mr D's responsibility to inform it of his new address. It also says that the direct debit instruction was cancelled by the payer and that Mr D should have been aware that the payments due to his account were not being made.

## **my provisional decision**

After considering all the evidence, I issued a provisional decision on this complaint to Mr D and to HFC in April 2013. In my provisional decision I said the following:

Mr D says that he told HFC of his change of address. However, he has not provided any details to explain how he told HFC that his address had changed and there is no record of any contact from Mr D in HFC's records to show that he contacted it to tell it of his change of address. I am therefore not persuaded that there is enough evidence for me to be able to safely conclude that Mr D did tell HFC about his change of address.

Mr D had three accounts with HFC – the first opened when he lived at his old address and the others opened after he had moved to his current address. I am not persuaded that there is enough evidence to show that, when Mr D opened an account using his current address, HFC should have amended the address details for the first account.

Payments stopped being made to Mr D's first account after July 2010 and the account fell into arrears. HFC tried to contact Mr D about his arrears using the address it held in its records for that account but was unsuccessful in doing so because Mr D had moved. HFC was unable to send Mr D a default notice so it

recorded a default on his credit file in December 2010. I am not persuaded that HFC was required to send a default notice to Mr D for this account using the different address that he had provided to it for his other accounts. Mr D did not contact HFC after July 2010 about payments to his first account (either to ask why they were not being made or to explain why he had stopped making them) and it is reasonable to expect that he would have known that he still owed money to HFC for that account. The default that HFC recorded is a true reflection of how Mr D's account had been maintained.

I am not persuaded that there is enough evidence to show that HFC has acted incorrectly in its dealings with Mr D and I therefore do not consider that it would be fair or reasonable for me to require it to remove the default or to pay any compensation to Mr D.

Mr D's solicitors have responded to say, in summary, that Mr D told HFC about his change of address by phone and that HFC's failure to record it should not be held against him. They also say that HFC has made contradictory statements as to whether or not the notice of default was sent to Mr D and that Mr D did not cancel his direct debit for the account. They also say that HFC did not make enough effort to trace Mr D.

### **my findings**

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

I am not persuaded that there is enough evidence:

- for me to be able to safely conclude that Mr D did tell HFC about his change of address.
- to show that, when Mr D opened an account using his current address, HFC should have amended the address details for the first account.
- to show that HFC has acted incorrectly in its dealings with Mr D.

I consider that the default that HFC has recorded is a true reflection of how Mr D's account had been maintained.

I am therefore not persuaded that I should depart from the conclusions that I set out in my provisional decision and I do not consider that it would be fair or reasonable for me to require HFC to remove the default or to pay any compensation to Mr D.

### **my decision**

For these reasons, my decision is that I do not uphold Mr D's complaint.

Jarrold Hastings  
**ombudsman**