

complaint

Ms D complains about information reported by NewDay Ltd to credit reference agencies. She says she was unaware of a default and this is affecting her ability to obtain a mortgage. She asks for it to be removed.

background

Ms D took out a store card with House of Fraser in October 2006, which passed into NewDay Ltd.'s management in April 2014.

They advised Ms D in writing of the changes to her account and continued to send the monthly statements to the address they had on file.

In November 2014, they wrote to advise Ms D her account was three months in arrears and payment was required.

Ms D contacted NewDay in December 2014 to query the account, as she didn't recall any dealings with NewDay. They explained they had taken management of her House of Fraser account.

In January 2015, the outstanding arrears on the account of £223.17 were paid in full.

In April 2015, the account statement advised a minimum payment of £97.71 was required and this was received on 02 May 2015.

NewDay say no further payments were made on the account. They continued to send monthly statements and requests for payment but in November 2015, they wrote to advise Ms D of their intention to register a default and gave her 28 days to contact them and agree a suitable payment arrangement.

As no contact was received from Ms D, a default was recorded on her credit file.

Ms D says she was unaware the account was in arrears and was experiencing some very difficult personal circumstances at the time that unfortunately mean she had to leave her address around April 2015 and returning in late 2015.

When she became aware of the situation, in January 2017 she immediately paid the balance of £644.30 in full. Although this has now been satisfied on her credit file, it has negatively affected her ability to secure a mortgage at reasonable rates.

Our investigator looked into things for Ms D and whilst he sympathised with the difficulties she had experienced at the time he didn't feel NewDay had acted unfairly in reporting her payment history to the credit reference agencies and so he didn't ask them to remove the default.

Ms D disagrees she feels the impact on her is disproportionate to the amount outstanding and will continue to affect her for several years to come and so she asked for this review.

my findings

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

Firstly, I would like to assure Ms D that I sympathise with her position and I understand that when difficult personal circumstances arise it can be difficult to manage the numerous issues, she has explained, she had to deal with and I'm sure checking whether she had received all her mail and managing her credit card account may well have been overlooked as a result.

My role here is to determine if the business made an error and if it did then look at any redress with a view to putting the consumer back in the position they would have been in had it not occurred.

NewDay have a responsibility to accurately report how Ms D managed her account to credit reference agencies. They have provided all the account statements sent to Ms D and a copy of the letter warning of the action that would be taken as well as the default notice. These were all sent to the registered address given by Ms D and gave the appropriate notice.

I know Ms D has explained she had to move from her address, due to personal circumstances from around April 2015 returning around six months later and during this time, she didn't receive her mail and was unaware of the outstanding account. The last payment on the account was on 02 May 2015 and if Ms D required her mail sending to an alternative address she should have informed NewDay. As they were unaware she wasn't living at the given address I can't say they did anything wrong in continuing to send the statements there.

Ms D has also confirmed she returned to her given address around 6-7 months later and this would have coincided with both the notice advising of an impending default in November 2015 and the default letter December 2015. As I said earlier, I sympathise with what must have been a very difficult time for Ms D but that doesn't negate her responsibility to pay her credit card account and keep her provider informed about any changes to her personal situation.

I'm satisfied that NewDay provided all the necessary information and gave appropriate notice before reporting a default to the credit reference agencies and so I can't ask them to remove something that was correctly recorded at the time.

I realise that a default like this will have an impact on any applications for lending Ms D makes, like the mortgage she's mentioned. But even with this in mind, I'm afraid that I can't tell NewDay that it needs to do any more here.

my final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 9 May 2018.

Wendy Steele
ombudsman