

complaint

Mr R complains that Santander Cards UK Limited passed his account to another company without telling him. He says that a member of his family paid off the debt, although he is still being asked to repay it, and that it has also increased significantly. Mr R wants Santander to reduce the amount owing, remove any negative entries on his credit record and pay him compensation for his inconvenience.

background

Mr R had a store card account administered and owned by Santander. He says he owed about £200 in 2009, around the time he went abroad for some time. He did not tell the bank that his address had changed or that he was moving abroad. He says he did try – unsuccessfully – to contact Santander to say he was unable to pay the account, and later to try to re-commence payments.

Santander was unable to contact Mr R through its own collections department or through a tracing agency. After about six months it transferred ownership of the debt to an external company. That company issued court proceedings against Mr R and a county court judgement was recorded. Mr R says that a family member says they paid the debt before judgement was issued.

Mr R complained to the bank about his debt in 2012, as he thought the balance was too high and that the bank should have told him that it had sold the debt to another company.

my findings

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

Mr R has told us that when he moved abroad in 2009 he did not have time to tell the bank about his change of address. He says that he tried to contact the bank whilst he was away because he could not make payments, but that this proved to be too difficult and expensive.

So, when the account fell into arrears in mid 2009, the bank only had Mr R's old contact details, and it has shown this service that it both wrote to Mr R and tried to call him. When this failed it used a tracing agency, which also failed to find Mr R. After this the bank sold the debt to another company. It was entitled to do this under the terms and conditions for the account, and I am satisfied that no error occurred.

It seems that the next time Mr R tried to contact the bank was in mid 2010. The bank had, however, sold his account and no longer kept much detail – but says it asked Mr R to contact the new owner of his account when he called. Mr R says that his account could not be traced by the new owner so he could not resolve the problem. Eventually the account was sold again, and the current owner has asked Mr R to pay about £750.

Mr R says that the bank has provided poor service when he contacted it. But the bank had not owned his account for about a year by this time, and correctly asked Mr R to contact the new owner. If that company had difficulty in finding the account, then the bank cannot be held responsible for this, and Mr R would have to complain direct to that company about this.

Mr R also says that the amount he is being asked to pay is nearly four times the balance he owed. I have seen statements from the time the bank sold his account, and I am satisfied that Mr R's debt at the time was just under £600. The majority of this was owed in early 2009 when Mr R stopped making payments and was made up of normal spending on the card and interest. The remainder was charges and interest added to the account before the transfer, and I am satisfied that these were applied in line with the terms and conditions for the account. That means that the debt Santander sold was much higher than the balance Mr R thought he owed, but I am satisfied that it was correct.

The new owner of the debt issued court proceedings to recover the debt. The costs of this have been added to the debt, bringing it to the balance Mr R is now being asked to pay.

Mr R says a family member paid the debt on his behalf before judgement, but he has been unable to provide any evidence to support this. If he is able to find some evidence, then he would need to take that issue up with the company that owned the debt at the time. As it was that company that registered the county court judgement, it would not be Santander's responsibility to correct any of Mr R's credit records, even if a mistake had been made.

my final decision

My decision is that I do not uphold this complaint.

Susan Peters
ombudsman