

## **complaint**

Mr P complains that Moorgate Loan Servicing Limited should have recorded a default against him sooner.

## **background**

In December 2011, Moorgate purchased Mr P's debt from another company. There was a period of transition during the transfer process. Mr P's account was fully transferred to Moorgate in March 2012.

At the time of the purchase he was making payments of around £50 per month. Mr P continued to make those payments to Moorgate but in July 2012 his payment amounts reduced to £1 per month.

Moorgate say they tried to make contact with Mr P via the debt management company (DMC) who were assisting him. They wanted details of his income and expenditure so that they could come to an arrangement with him about how to pay his debt. They say initially there was contact about how to pay but that changed. They didn't get the information they needed and so in October 2013 they recorded a default on his account.

Mr P complains that the default should have been recorded back in 2010, when he says other creditors recorded defaults against him. He acknowledges that this was before Moorgate owned the debt but thinks Moorgate and the previous owner should have worked together. There is a complaint against the original debt owner that is being dealt with separately. I won't discuss it here.

The adjudicator considered the complaint. He thought that Moorgate had been trying to get information from Mr P and had placed his account on hold on a number of occasions while they did so. He thought the decision not to register the default until October 2013 was reasonable based on the information they had.

Mr P was unhappy with that. He still felt that Moorgate took too long to record the default. He says guidelines say it should be done sooner. The delay means the default will be on his credit file for much longer than he feels it should be. He feels he shouldn't be worse off because he tried to pay.

The adjudicator got further information from Moorgate. They said that normally they would issue a default sooner but in this case they allowed more time to get information from the debt management company (DMC) about a possible means of payment. The adjudicator thought allowing time was reasonable in the circumstances and didn't change his view. The complaint came 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.

The records show that Mr P started accruing arrears with Moorgate soon after they acquired his debt. Moorgate did chase payment but they allowed more time than would ordinarily be the case. The records show that the DMC suggested that there was a possibility Mr P might

have the right to make a claim for some money. I can see that if he got that money it would have helped him pay off his debt. But I think it's likely that such a claim isn't something that could be sorted out immediately. It would take time. Moorgate agreed to allow that time. and after that tried to get details of how Mr P might pay without making such a claim. I don't think that it was unreasonable of them to do this.

Mr P says that he's been disadvantaged because the default was applied later and so will stay on his credit file for longer. Whilst it may be true that the default was applied later, I'm satisfied that the decision to delay was made because Moorgate were working with him to try to work out how he could pay his debt. I agree with the adjudicator that it wasn't unreasonable for Moorgate to allow more time before recording a default in these circumstances.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 6 February 2017.

Nicola Crabb  
**ombudsman**