

complaint

Ms M complains that Shop Direct Finance Company Limited (Shop Direct) passed on her debt to a third party, who registered a default on her account. She wants the default removed.

background

Mrs M complains that Shop Direct never sent her a default notice and gave her conflicting information about who registered the default. The debt was passed to a third party who registered the default which she thinks is unfair and contrary to Information Commissioner's Office (ICO) guidelines.

The investigator did not uphold the complaint. He said that a default normally occurs when an account is in default by 3 to 6 months. In this case Ms M's last payment on her account was on 24 June 2015 and a default notice was issued at the end of November 2015. He didn't agree that the third party who took over the debt should have to wait three months before registering it. It was the same account that was in arrears. He didn't think Shop Direct did anything wrong.

Ms M did not agree.

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 credit agreement sets out the terms for the account and states that payment must be made every 28 days with a minimum payment. The terms also say that the missing payments can lead to legal action and the account may be transferred to a debt collection agency. Ms M last made a payment on her account in June 2015. Shop Direct contacted her in October 2015 and she explained she had lost her job and couldn't make payments.

I find that Shop Direct tried to help when it found out she was in difficulty. Shop Direct wanted her to complete an income and expenditure form, but she didn't do this. Shop Direct says it sent her a default notice, which Ms M says she never got. Letters appear to have been sent to her correct address, so on balance, I am satisfied the default notice was sent.

Ms M sadly fell into arrears. The debt was sold and the third party registered the default on her account. The actions of the third party are not Shop Direct's fault. Shop Direct has acted reasonably when it issued the default notice, assigned the debt and tried to help her when she defaulted.

Whilst I appreciate, Ms M found herself in a difficult financial position after she lost her job, I don't think Shop Direct have done anything wrong by assigning her account, or in connection with the default.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 9 March 2018.

Clare Hockney
ombudsman