

complaint

Mrs P complains about adverse data on her credit file in relation to a debt with Next Retail Limited (Next). She believes she has settled the debt. She would like the adverse data removed.

background

Mrs P says Next sold her outstanding debt on in 2014. She says she made payments until April 2016. But then stopped as she got a letter from debt collection agency to say her account was closed.

Mrs P says Next sent her a letter in October 2016 saying it was going to sell on the remaining balance. But Mrs P believes the debt collection agency accepted part payment of the debt. And closed the account.

She feels the adverse data recorded on her credit file has affected her ability to renew her mortgage.

Next says Mrs P's account fell into arrears in June 2014. It says it correctly recorded a default in September 2014. Then passed her debt on to a debt collection agency. Next checked with the debt collection agency. It confirmed it hadn't made or received any offer of part payment. And had not written the debt off. It returned the debt to Next.

Mrs P wasn't able to provide proof of the full and final payment to settle the account. And Next hadn't received any payment towards the balance. So it sold the debt on to a different debt collection agency. It believes there's still an outstanding debt.

Our investigator didn't uphold the complaint. She didn't feel Next had done anything wrong.

Mrs P doesn't agree. She feels it was unfair of Next to sell on the debt whilst there was some confusion as to whether the debt was outstanding. And says her credit file has been affected. She says this has impacted on her ability to renew her mortgage.

my findings

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

I can understand Mrs P's frustration. She clearly feels strongly about this. And I realise she's going to be disappointed. But I've reached the same conclusion as our investigator.

There's no dispute that Mrs P's account fell into arrears. That Next registered a default on the account in September 2014. And passed the debt onto a debt collection agency.

As I understand it Mrs P believes the debt collection agency accepted part payment of the debt and closed the account. I've seen the letter the debt collection agency sent Mrs P. It does say the account is closed on their system. It goes onto say the account has been passed back to Next.

It's unfortunate if Mrs P believed that this meant she no longer had a debt. That's not how I read the letter. And Next has confirmed it checked with the debt collection agency. It said it

hadn't offered or agreed a full and final offer. Mrs P hasn't given us any other proof to show the debt was settled. So from what I've seen I believe the debt is still outstanding.

Mrs P isn't happy how Next has dealt with this. She feels it was unfair to sell the debt on when there was some confusion over the debt. From the correspondence I've seen Next asked Mrs P for proof she had made a full and final payment. And checked with the debt collection agency to see if it had made any agreement with Mrs P. In the circumstances I think Next's efforts to look into this were reasonable. It then decided to sell the debt on. This is a commercial decision it is entitled to take. And not for us to interfere with.

Mrs P has said the adverse data on her credit file has affected her ability to renew her mortgage. She doesn't feel accurate details have been recorded on her credit file by the debt collection agency. But this is a complaint about Next not the debt collection agency. So if Mrs P isn't happy with what the debt collection agency has put on her credit file she needs to raise that with the debt collection agency.

Next has said it recorded a default on Mrs P's credit file in September 2014 after her account fell into arrears in June 2014. It has pointed out this will remain on Mrs P's credit file for six years. From what I've seen I don't feel Next were wrong to put a default on Mrs P's credit file. So I don't think I can reasonably ask Next to remove this.

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 Mrs P to accept or reject my decision before 26 July 2017.

Bridget Makins
ombudsman