

complaint

Mr B complains, through his representative, that NewDay Cards Ltd won't remove a default on his credit record.

background

In May 2004 Mr B opened an account with a third party organisation which then became NewDay Cards Ltd. It sent statements to Mr B every month and collected his payments by direct debit until September 2014. The next request for payment it made was returned unpaid. NewDay sent Mr B a number of letters telling him of the arrears and asking him to contact it. When it didn't hear from him New Day sent him a Notice of Default and recorded it on his credit file. The debt was then transferred to a third party debt collection agency.

Mr B said he'd moved address in 2008 and he'd notified everyone. He arranged for postal redirection for his mail. When he reviewed his accounts his bank couldn't tell him who the direct debit was for and advised him to cancel it. He is able and willing to pay the arrears but he doesn't think it's fair to have a default registered against him. NewDay couldn't find any evidence Mr B had notified it of his change of address. So it wouldn't remove the default.

The adjudicator didn't recommend Mr B's complaint should be upheld. She said there was no evidence Mr B had told NewDay or its predecessor that he had moved. As it hadn't done anything wrong she couldn't formally ask it to remove the default. But she thought there had been an honest mistake and she asked NewDay if it would remove the default if Mr B settled the amount owing. It said it had to accurately report Mr B's payment history and so it refused.

Mr B wasn't happy with the adjudicator's opinion. He said he'd notified NewDay by telephone and NewDay couldn't prove he hadn't made the call. He thought NewDay should've done more to contact him before registering the default. It must've thought it odd he'd stopped paying after nearly ten years. His credit report shows he'd notified everyone he'd moved and it showed he'd never missed a payment to anyone else.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete or contradictory as some of it is here, I make my decision based on what I think is most likely to have happened.

I appreciate Mr B genuinely believes he changed his address with NewDay but NewDay doesn't have any evidence in its files that Mr B telephoned it to do that. It continued to send monthly statements of his account to the address it had on file. Mr B had a postal redirection in place after he moved so it seems reasonably likely he was receiving the statements and should've noticed NewDay still had his old address. Mr B says NewDay should've made more effort to contact him but I agree with the adjudicator that there was no reason for it to think Mr B had moved house. None of the correspondence it'd sent to Mr B had been returned to it. So I don't think NewDay has done anything wrong.

I also agree with the adjudicator that it's reasonably likely Mr B made a mistake about notifying NewDay or its predecessor about his change of address but because I don't think NewDay has done anything wrong I can't make it remove the default from his credit file.

I appreciate how frustrating this is for Mr B but for the reasons I've given I can't fairly uphold his complaint.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 May 2016.

Linda Freestone
ombudsman