

## **complaint**

Mr H is unhappy that Santander UK plc refuses to remove a default recorded against his current account, which he feels is causing his mortgage payments to be higher (as he cannot benefit from re-mortgaging on better terms). Mr H says that he missed the default notice as it was sent to an old address.

## **background**

Mr H contacted Santander in October 2015 following a misunderstanding with his current account. He was expecting regular payments from his pension that did not materialise, so ran up a number of overdraft charges on his account. Mr H says that Santander agreed to reduce these charges to a single payment.

Mr H overlooked making that payment following a period of personal upheaval. He says that he paid the amount as soon as he became aware that it was overdue, in April 2016. He says that he never received the default notice, and that the bank should have done more to ensure that it was served to him before his account was defaulted.

The bank says that the default notice was sent to the most recent address they had for him, in January 2016, three months after he was told he needed to pay off the agreed amount. Santander says they tried to check Mr H's new address by letter in November 2015 but received no reply.

Our adjudicator did not think that the bank had failed to serve the default notice correctly. It was Mr H's responsibility to ensure that the bank was aware of his new address. The adjudicator did not think that the bank had done anything substantially wrong, that Mr H was aware of the outstanding balance, but had not taken any steps to prevent a default being applied.

Mr H also considers that the bank did not provide a proper timeframe for the agreement of October 2015, and that they should have phoned or emailed to check his address. Mr H also provided a credit report from a credit agency that listed his current address next to his Santander account.

The adjudicator did not accept those arguments. He felt that the bank had waited a sufficiently long time before issuing the default notice, and that the credit report was inconclusive.

But Mr H maintains that the bank should have done more to ensure that the address the default notice was sent to was correct. So I need to make a final decision.

## **my findings**

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

Santander's terms and conditions confirm that it is the responsibility of the customer to inform the bank if their address changes. Mr H did not do that. That is why he did not receive the default notice.

Although Santander agree they may contact a customer by phone or email, they are under no obligation to do so. But I've seen information from the bank that indicates they tried to contact Mr H several times during the summer of 2015 using the mobile telephone number on their records. There was either no answer or, in the case of text messages, no response. So it isn't surprising Santander relied on only writing to Mr H.

It is unfortunate that there is no copy of the actual letter sent to try and verify Mr H's new address, only a template. But the fact that there is a record of such a letter being sent, two months before the date on the default notice, satisfies me that the bank did make a reasonable effort to find out where Mr H had moved to.

Also, it was Mr H's responsibility to make the agreed payment in the first place. Despite my sympathy for Mr H's situation, I agree with the adjudicator that three months is a reasonable amount of time to wait for an agreed payment before initiating default proceedings.

Mr H points out that his credit report has the correct address for him on it. The entry for the Santander current account can't be dated accurately. But I think it is likely his credit file information was updated when Mr H got in touch with the bank in April 2016.

I accept what Mr H says when he explains that not making the agreed payment was an unfortunate oversight on his part. But the information Santander has reported to the credit reference agencies is – as it should be – an accurate reflection of how Mr H's account was operated and managed.

There are many factors that will influence whether a lender is prepared to give credit (and on what terms) to an individual. A review of the credit file information Mr H has provided indicates he had another account with a default recorded against it in 2011. The debt is marked as satisfied in 2012. But this would still have been within the six year recording period at the time Mr H indicates he was looking to re-mortgage.

### **my final decision**

For the reasons I've given, I've decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 November 2017.

Satnam Virdi  
**ombudsman**