

complaint

Ms L complains that Nationwide Building Society registered a default against her account and recorded adverse credit information on her credit file.

background

Ms L held an account with Nationwide which fell into overdraft when she experienced financial difficulties. Nationwide imposed fees and charges when direct debits were returned unpaid. Ms L cancelled her direct debits and borrowed money to repay the overdraft. Further direct debits were processed which resulted in further fees and charges being added to Ms L's account. The account was then defaulted.

Ms L's initial complaint was that;

- Nationwide failed to offer her advice on how to address her financial difficulties
- Nationwide refused to waive fees and charges
- Nationwide failed to advise her that her direct debits needed to be cancelled with the third party as well as the bank
- Nationwide registered a default against her account

The adjudicator upheld the complaint in relation to the default. She found that Ms L hadn't received any statements or the default notice because there was an error in the address on the letters sent by Nationwide. The adjudicator said that Nationwide should remove the default from Ms L's account.

Nationwide agreed to remove the default on the condition that Ms L made an arrangement to repay the outstanding balance on her account.

Ms L subsequently complained that Nationwide had recorded adverse entries on her credit file. The adjudicator explained to Ms L that the adverse information would remain on her account because it reflected the fact that the debt had remained unpaid for some time.

Ms L says that any delay in paying the debt arose because Nationwide failed to provide the correct figure. She says that she wasn't told that adverse information would be recorded if she didn't pay the debt.

The adjudicator did not uphold the complaint. She said that Nationwide had provided telephone notes which showed that Ms L had been aware that there was an outstanding balance, and that because of this, the bank were entitled to record adverse information on Ms L's file.

Ms L did not agree. She says that she only became aware that there was an outstanding balance when the default was registered. She also says that Nationwide should have told her that it would have an adverse effect on her credit file if she didn't repay the balance immediately.

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 see that Ms L wanted to discuss her complaint with me in person. But I don't think that's necessary. Ms L has provided clear and comprehensive details of her complaint and I'm satisfied that I've got all the information I need in order to make a decision.

I've limited my decision to the complaint about adverse information on Ms L's file, because the default has now been removed.

I understand why Ms L is frustrated that Nationwide have recorded adverse information on her credit file. She thought that she had brought her account balance back to zero. She didn't realise that further direct debits had been processed, which resulted in fees and charges being applied to the account before it was defaulted. Nationwide sent Ms L statements but she says she didn't receive them. On balance, I accept that Ms L didn't know that she had an outstanding balance until the default was registered.

Once the default was registered, I'm satisfied that Ms L was aware that she had an outstanding balance that she needed to repay. Ms L could have paid the balance at that time but she didn't.

I acknowledge that Ms L queried the registration of the default, and I understand her strength of feeling when she says that she expected the bank to hold off recording any adverse information whilst she was doing that. But on balance I'm satisfied that there was an outstanding balance and that the bank were entitled to record the information.

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 L to accept or reject my decision before 5 July 2017.

Emma Davy
ombudsman