

complaint

Mr G complains that NewDay Ltd recorded a default on his credit file. He says he didn't receive any notice his credit card would be defaulted. If he had he would've borrowed money to pay off the debt. He wants the default removed.

background

NewDay said it would remove the default and amend the credit file to show the stage the account's arrears were at before the default was registered. But it would do this on the understanding Mr G pays the remaining balance of £462.32 within 28 days. But it wasn't prepared to increase recompense from the £25 already given.

Mr G didn't accept this offer.

Our adjudicator felt this complaint should be upheld. In summary he said:

- Because NewDay didn't send Mr G a default notice we will never know if he could've done something to pay off what he owed and avoid the default.
- So, NewDay should put him back in the position he would've been in if it'd told Mr G it was going to default his credit card. The default should be removed from his credit file and it should then let him know he's 28 days to pay what's owed. But if the outstanding balance isn't repaid in this time the original default should be reapplied to the credit file.
- He'd reviewed the level of compensation offered and it wasn't enough. He felt the total compensation paid should fairly be increased by £75 to £100.

New Day doesn't agree to pay £100 compensation. And it points out the debt still hasn't been cleared as agreed.

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 agree with the adjudicator's conclusions for the same reasons.

Even though Mr G hasn't to date paid off what's outstanding I think it's still fair for him now to be put back into the position he would've been in if NewDay had sent him a default notice. To do so New Day should remove the default from his credit file and then give him 28 days from the date it does so to pay off the outstanding debt.

Taking everything into account, including the level of awards we make, I also agree with the adjudicator that a payment of another £75 compensation, in addition to the £25 already paid, is fair.

Overall, I think the adjudicator's proposed resolution of this complaint is fair and reasonable. And I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I uphold this complaint and require NewDay Ltd:

1. To remove the default from Mr G's credit file;
2. To then tell Mr G he's 28 days from the date it's removed to pay off what's outstanding on his account. But if the outstanding balance isn't repaid in this time the original default should be reapplied to his the credit file; and
3. To pay Mr G a further £75 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 March 2017.

Stephen Cooper
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