

## **complaint**

Mr M complains that NewDay Ltd cancelled his direct debit which meant he fell behind in his payments. He wants NewDay to remove the adverse entries it has registered on his credit file.

## **background**

Mr M took out a fixed term loan in 2012. NewDay took over the loan in 2014 and wrote to Mr M to tell him that this would happen.

In September 2014, Mr M's direct debit was returned unpaid. NewDay wrote to Mr M to tell him what had happened. It didn't hear back from Mr M so his account was placed in recoveries.

Mr M contacted NewDay at the end of December 2014. He said he didn't know his direct debit had been cancelled. NewDay agreed to refund some of the late payment charges and set up a repayment plan of £50 each month. In June 2015 Mr M's monthly payment reduced to £21.

Mr M raised a dispute with one of the credit reference agencies as adverse entries had appeared on his file. NewDay agreed to remove the late payment entries from September 2014 to the end of 2014. But it wouldn't make any further changes to his credit file.

NewDay says it removed the adverse entries in error as it hadn't made any mistake with Mr M's direct debit.

Our adjudicator didn't recommend that Mr M's complaint should be upheld. He was satisfied that NewDay hadn't made an error when it recorded the missed payments. And as Mr M's account had defaulted, NewDay has correctly recorded a payment arrangement on Mr M's credit file.

Mr M says NewDay agreed to correct his credit file because it realised his direct debit had been cancelled by mistake.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions of the adjudicator.

In cases like this, where the evidence is inconclusive, I reach my decision on the balance of probabilities. That means I'll look at all the available evidence and decide what I think is most likely to have happened.

I can appreciate that Mr M is unhappy that adverse information appears on his credit file, but I can't reasonably find that NewDay has done anything wrong.

NewDay already removed the late payment markers from September to the end of 2014. I agree with our adjudicator that it didn't have to do this. I say this as I'm satisfied Mr M, not NewDay cancelled his direct debit in 2014. Mr M did this because he saw two direct debits set up to pay the loan so cancelled one of them.

NewDay has given this service evidence that it wrote to Mr M to warn him that two direct debits would appear for a short time. The letter says that "*only one payment will be taken and the DD with the old reference will be cancelled*". I understand Mr M says he didn't see this letter but I'm satisfied that NewDay sent it.

I'm persuaded that NewDay told Mr M that he had cancelled his direct debit. NewDay has given this service evidence that it sent various letters, including notices of arrears and demands between September and December 2014. I appreciate that Mr M says he has difficulties with his partner and this might explain why he didn't receive all of his mail. But as I'm satisfied NewDay wrote to Mr M and tried to call him several times, I can't find it did anything wrong when it ended Mr M's agreement.

NewDay treated Mr M reasonably and fairly when it agreed to accept monthly payments instead of the full outstanding balance. It also suspended fees and interest. I can't reasonably require NewDay to do more than it already has.

NewDay is under a duty to record accurate information with the credit reference agencies. Mr M has already benefited from the fact NewDay removed the late payment markers in error. I don't find that NewDay should be ordered to amend Mr M's credit file any further.

#### **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 M to accept or reject my decision before 9 December 2015.

Gemma Bowen  
**ombudsman**