

complaint

Mr H has complained that Santander Cards UK Limited have unfairly passed a debt on to debt collectors and recorded a default against his credit file.

background

Mr H bought a tablet from a third party, financed by Santander. He was making his repayments by direct debit, but later moved house and cancelled all of his direct debits, including this one. He did not inform Santander of this. The third party subsequently went into administration, so Mr H says he assumed that meant he no longer needed to repay his debt to Santander.

Mr H says he attempted to repay the debt, but was being passed between different debt collectors, so found this difficult. He also says he did not receive a default notice, so it was wrong of Santander to record this against his file.

The adjudicator did not recommend that the complaint should be upheld, as he felt Mr H was responsible for cancelling the direct debit, and should not have assumed he no longer had to pay Santander. As the money was owed and not paid, he did not think it unreasonable for Santander to have passed the debt to a collector and registered a default.

Mr H disagreed. He says he had agreed verbally with one of the debt collectors that he would pay the debt if he was given evidence of how much he owed. However, he says he was then told that Santander would no longer be pursuing it. He says the default was later recorded and was told to pay the debt then if possible. However, he took no action or a further six months.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am satisfied that Santander has not acted unreasonably. Mr H cancelled his direct debit and did nothing to reinstate it or pay by other means. Accordingly, he was in default. I see no reason why Santander should not then sell the debt and register the default. Further, I am satisfied that a default notice was sent, but to Mr H's old address. The reason for this was that Mr H had not updated his details with Santander, which I cannot hold it responsible for. However, even if it were not, Mr H was fully aware the debt was due, particularly after being contacted by debt collectors.

I cannot see that the third party going into administration has any bearing on whether or not Mr H owed money to Santander. Even if he thought this to be the case, it would have been prudent for him to contact Santander to check. Further, as he was contacted by debt collectors, it would have been clear at this point that the debt was outstanding.

I cannot know for sure what Mr H and the debt collector discussed verbally. However, whatever was said, it became clear afterwards that the debt was still outstanding. Mr H did not query this for six months, so I am satisfied that he accepted the money was due.

my final decision

For the reasons given above, it is my final decision not to uphold this complaint. I make no award against Santander Cards UK Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 9 March 2015.

Elspeth Wood
ombudsman