

complaint

Miss E complains that TSB Bank plc recorded default on her credit file.

background

In May 2014 after TSB and Lloyds split Miss E elected to move her account away from TSB. Miss E has made a separate complaint about the transfer of her account and I am only addressing the issue of the default relating to her TSB debt.

After the move she had a debit balance of some £213 which TSB asked her to repay. It wrote to her in May to this effect though Miss E says she had changed address and so she didn't receive the letter. However, she spoke to the bank on three occasions between July and September and during the last of these calls she paid £50.

The bank says that as the outstanding balance wasn't cleared as promised it passed the account to its recoveries team. Miss E settled her debt in May 2015, but the bank had already defaulted her account and notified the credit reference agencies.

Miss E said she was unaware of the debt and later paid some of it off in cash in various branches. Her card was removed and she says she had difficulty in establishing what she owed and various branches were unable to tell her. She asked for the default to be removed, but TSB refused. The complaint was brought to this service and was investigated by one of our adjudicators who didn't recommend that it be upheld.

She noted that in each of the three calls between Miss E and the bank it was clear that Miss E knew she owed the bank money and in each she had made offer to settle the debt. However she had only paid £50 by debit card in the final call and hadn't cleared the balance as agreed.

The adjudicator noted that a default was applied to the account in October 2014. While she sympathised with the distress that this caused Miss E she considered the bank took sufficient steps to notify her of the potential impact on her credit record. She pointed out that the bank has an obligation to report factual information to the credit reference agencies and for this reason she couldn't say that TSB had made an error in applying the default.

Miss E had referred to receiving calls from a collection agency, but the adjudicator didn't feel that, following their telephone contact, the bank had acted unfairly in passing the account to a third party collection agency.

Miss E didn't agree and said she had encountered difficulty in getting the bank to change its records to reflect her new address. She also said she was unable to contact anyone to pay the outstanding sum.

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 appreciate that Miss E may have encountered some difficulty in transferring her account and that she tried to notify the bank of her new address but found this challenging. However, it's clear from her phone conversations with the bank that she knew she owed the money

and she agreed to pay it off. I recognise that she was dealing with other bills and paying off her debt to the bank wasn't easy, but on each occasion she called, the bank's call handlers were helpful and supportive.

I note she says she didn't know how or where to pay the balance, but I am not persuaded that it was beyond her ability to pay over the money. She had not just one call with the bank, but three and on each she had the opportunity to pay off the debt. I appreciate that she may have found this difficult, but the fact remains that she didn't pay her debt and the bank has recorded this accurately.

I didn't consider her problems with updating her address had any significant impact such that it prevented her from paying what she owed. In summary I don't consider the bank has done anything wrong and it has properly recorded the default.

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 Miss E to accept or reject my decision before 1 March 2017.

Ivor Graham
ombudsman