

complaint

Mr V complains that NewDay Ltd (trading as Marbles Credit Card) ignored the letter he sent it in September 2016 to explain his personal circumstances had temporarily changed.

background

Mr V's new circumstances meant he wasn't able to make any financial payments from September 2016 and he asked NewDay to suspend his account. It didn't do this but continued to send his statements and then its default letter to his old address even though he'd included his new correspondence address in his letter.

NewDay said Mr V was paying by direct debit but in October 2016 its request for payment was returned unpaid because it'd been cancelled. Mr V first told it about his change in circumstances when he spoke with its collections agent on 27 November 2016. At that stage his account was two months in arrears. In relation to Mr V's particular circumstances it said wouldn't place his account on hold. It sent its default notice to him at his "home address" and it was "fair to assume" his mail was being forwarded to him. It thought he could've made arrangements to pay his account despite his new circumstances and it'd followed the correct process for someone in his situation. It found a letter on its system that Mr V wrote in November 2016 explaining his circumstances had changed on 22 September 2016. The letter contained his new (temporary) address.

The adjudicator thought NewDay should've done more to make sure Mr V received the default notice. He thought NewDay should allow Mr V 30 days to clear the account and remove all adverse information from his credit file from the date of the first default so long as he clears the arrears within this timescale.

NewDay wasn't happy with the adjudicator's opinion. It said Mr V could've made alternative arrangements. He had an opportunity to phone NewDay to check the status of his account but didn't do so until 27 April 2017 when he queried the receipt of the default notice. It wouldn't send any mail to customers in Mr V's position because of potential breaches of Data Protection guidelines. The adjudicator responded to this saying that NewDay should've replied to Mr V's letter to tell him his account wouldn't be suspended or his address changed. Such a response wouldn't be sharing sensitive information. And he noted that it'd sent its final response letter to his temporary address.

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've come to the same conclusion as the adjudicator for very similar reasons.

NewDay's system notes indicate that it was aware of Mr V temporary circumstances in November 2016. It received returned mail on 8, 22 and 30 December 2016, 27 January 2017, and 2 and 29 March 2017. So I think it likely NewDay continued to send correspondence to his old address. He kept it fully updated on his position and yet it seems to have done very little to make him aware of its refusal to suspend his account, to help him in making alternative arrangements and to notify him of its intention to default his account.

I've now seen the prison process document and I don't accept NewDay followed its own policy. The initial steps required NewDay to confirm various details relating to Mr V's

temporary circumstances. It doesn't seem to me that NewDay did this. So I agree with the adjudicator that NewDay didn't do enough to tell Mr V it was going to default his account. He's told us he would've been able to make alternative arrangements to prevent the default being applied if he'd been given the opportunity and I accept that. So I think NewDay could've done more to help him.

my final decision

My decision is that I uphold this complaint. In full and final settlement NewDay Ltd should:

allow Mr V 30 days to clear his account from the date of his acceptance of my decision and if he does so

it should remove all adverse information from his credit file from the date of the first default notice.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 22 December 2017.

Linda Freestone
ombudsman