



complaint

Mrs D complains that Santander Consumer (UK) plc passed on a debt of hers to a debt collection agency without speaking to her first. She is unhappy that she has had to pay interest charges and that her account has been defaulted.

background

Mrs D entered into a finance agreement with Santander in 2009. Her repayments were made by direct debit. Mrs D made all the payments due with the exception of the last one. This was due to the fact that the direct debit payment was unsuccessful. Santander tried to contact Mrs D to discuss the missed payment. Her phone number was however dead, and the address it held for her was incorrect. As a result Santander passed the debt onto a debt collection agency. Santander also defaulted the account and recorded information on Mrs D's credit file.

Mrs D is unhappy with entries on her file, and the fact the debt has been passed to a debt collection agency. She brought a complaint to us to consider.

The adjudicator did not recommend that the complaint should be upheld. She considered that there was insufficient evidence to show that Santander caused the last direct debit payment to fail. The adjudicator was persuaded that it took reasonable steps to contact Mrs D to discuss the missed payment. Mrs D had not however provided up to date contact details. As such, Santander was entitled to sell the debt and to enter information on Mrs D's credit file when it could not contact her.

The adjudicator considered Santander's offer of £100 was reasonable for the delay in making an entry to show the debt was satisfied when it was sold on.

Mrs D is not happy to accept the adjudicator's recommendation. She says that no attempt was made to contact her by phone. Mrs D adds that the contact details Santander had were correct. She points out that the debt collector was able to find her. Mrs D would like a refund of the interest she has paid since the debt was passed on to the collector.

my findings

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

Mrs D's direct debit payment ended before the last payment was due. This meant one payment was missed. It is unclear who set up the incorrect end date. Santander says it does not apply an end date when it sets up a direct debit for its customers. It says that it is the customer who cancels a direct debit. Mrs D says she did not do this, or specify an end date. This means I am unable to say with any certainty who is at fault in this respect. Either way, one payment was missed.

Santander tried to contact Mrs D to discuss this before it defaulted her account. The phone number it had for her on its records was dead. Similarly it had an incorrect address for her. This meant that it was unable to contact her. The terms of the finance agreement confirm that Mrs D must inform it of any change in contact details. She did not however do this. In

the circumstances, I do not find that Santander acted in error when it later defaulted her account, and recorded this on her credit file. The entries were an accurate reflection of the way the account had been run.

I consider that Santander was entitled to sell the debt on to a debt recovery agency to try and obtain the outstanding sum. I find that it took reasonable steps to try and contact Mrs D before it did this. The terms of the finance agreement give Santander the right to transfer any money owing to a recovery agent to allow it to recover the money due to it.

I note that Mrs D says that the debt collection agency was able to contact her. I consider however that Santander acted reasonably when it tried to reach her using the phone and address it held for her on its records.

There are no ground on which I can require Santander to refund the interest Mrs D has been charged on the debt. The terms and conditions of the finance agreement allow it to charge this on any missed payments.

I note that Santander has offered Mrs D £100 compensation for its failure to mark the default as satisfied when it sold the debt on. I consider this to be reasonable.

my final decision

My decision is that Santander Consumer (UK) plc should pay Mrs D £100 as it has agreed to do.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs D to accept or reject my decision before 11 March 2015.

Rosemary Lloyd
ombudsman