

## **complaint**

Mrs P complains that Morses Club PLC has recorded defaults on her credit history incorrectly.

## **background**

Mrs P had three accounts with Morses which she was paying £8 a month towards via a continuous payment authority. The £8 payment was split across the three accounts.

In April 2018, the card which the payment authority was set up against expired. This meant no further payments were made to the three accounts.

Morses' records show it sent Mrs P an arrears notice on 25 June 2018. It also tried ringing her, unsuccessfully, on 2 July 2018. On 8 July 2018 it sent out three default notices, one for each account. As Mrs P didn't bring the accounts up to date they were defaulted in September 2018 and the loans subsequently sold to a third party.

Mrs P complained to Morses as it never informed her, her card had expired as it said it would. And she complained she never received any letters from Morses about the arrears or any default notices. While waiting for Morses to investigate her complaint, Mrs P asked us to get involved as she was particularly worried about this. Morses didn't uphold her complaint as it was satisfied it had contacted her about the arrears and gave notice of the defaults.

Mrs P is particularly unhappy as she doesn't believe Morses have complied with its obligations under The Consumer Credit Act 1974 in relation to the default. She doesn't believe sufficient notice was given of the default as the defaults were registered on the same day it says it sent the notices – so they should be removed. And she says she was told by the third party that it bought the debt at the same time.

Our investigator looked into the complaint and concluded that Morses didn't do anything wrong. He was satisfied that it had sent arrears notices and default notices to Mrs P, whilst acknowledging she might not have received them. He also concluded the defaults were added to her credit history in September 2018.

Mrs P has asked for the matter to be reviewed. In summary, she doesn't believe Morses has complied with its obligations under the Act and she didn't receive and arrears or default notices. Because of that she thinks the defaults should be removed from her credit history. She also says that had she been aware she would have repaid the arrears as this issue could affect her employment, as her employer carries out credit checks.

## **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 understand this situation has been very upsetting and worrying for Mrs P. I would like to reassure her that although I have only summarised the back ground and her arguments above, I have read and considered everything in its entirety.

Understandably, Mrs P is worried about the impact the defaults registered on her credit history will have. Where information is recorded it should be an accurate reflection of the

account. So I will only ask Morses to remove the defaults if I find it didn't follow the required process or if the information is incorrect.

Mrs P's card expired in April 2018, meaning it was no longer a valid card for the continuous payment authority she had set up to pay £8 a month towards the three accounts. That was the last month it received a payment. I appreciate Mrs P says Morses should have notified her of this. I haven't seen persuasive evidence that it said it would do this, and I'm not aware of any obligation on it to do so. Ultimately, it was for Mrs P to ensure payments were made as and when due.

Morses' records show that it sent Mrs P an arrears notice on 25 June 2018 and it held her correct address on its records. I'm satisfied this letter was sent. I understand Mrs P has said she didn't receive it, and I know from her later calls with Morses that it appears she may have been having problems with her post. But, Morses has complied with its obligations by sending out the notice.

Morses' records also show it sent out a default notice on each of the accounts on 8 July 2018. Although it hasn't been able to provide a copy of the actual letters sent, it has provided the template, which I'm satisfied I can rely on as representative of what Mrs P would have been sent. The template shows Mrs P was given 14 days to get in contact with Morses with payment proposals or clear the arrears. I'm satisfied this complies with the requirements of the Act and gave Mrs P time before the default was applied.

Mrs P has provided copies of her credit file which she believes shows the defaults were applied on the same day – 8 July 2018. But that's not right, the entries for Morses show the accounts were defaulted on 22 September 2018 – more than 10 weeks after the default notices were sent. This means Mrs P was provided with substantially more than the 14 days required under the Act or set out in the notices. Again, I understand that Mrs P didn't receive the notices, but as above Morses has complied with its obligations by sending the notices when it did.

I can also see from the records that Morses didn't sell the debt to a third party until October 2018. I appreciate Mrs P appears to have been told something different by the third party. And I understand the third party may have also added some information to her credit file that was wrong and has since been rectified. But that is a matter for the third party not Morses.

Overall, I'm satisfied Morses followed the correct process before it defaulted Mrs P's accounts. And I'm satisfied it is a correct reflection of Mrs P's account history. I understand and accept it was only a small sum outstanding and that Mrs P could have repaid this. I also understand it might cause difficulties going forward. But as I don't think Morses did anything wrong, I won't be asking to remove the information it recorded.

**my final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 1 March 2019.

Claire Hopkins  
**ombudsman**