

The complaint

Mr K says Provident Personal Credit Limited, trading as Satsuma Loans, didn't amend his credit file correctly. This led to him being unable to get further credit and may have affected his ability to secure employment.

What happened

This complaint is about one instalment loan Satsuma provided to Mr K in August 2017. Mr K borrowed £950 and he was due to make 13 monthly repayments of £149. Mr K was unable to make these repayments and the account fell into arrears relatively quickly.

Mr K arranged to repay a reduced amount of £30 a month to Satsuma. I can see that he was able to do this most months, but at times in 2018 and early 2019 he was unable to pay this in full and he repaid a lower amount.

Satsuma has looked at Mr K's complaint. It has upheld it in part on the basis that it didn't always correctly indicate to the credit reference agencies that he had entered into an arrangement to pay a reduced amount.

Satsuma corrected this as part of the complaint and has reduced the outstanding balance by £50 as compensation. Mr K didn't accept this. He thought the compensation for the trouble and upset that Satsuma's errors had caused him should be much higher.

Our adjudicator didn't uphold the complaint. Mr K disagreed with the adjudicator's opinion so the complaint has been passed to me.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've set out our general approach to complaints about short-term lending - including all of the relevant rules, guidance and good industry practice - on our website.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Mr K's complaint. I've decided not to uphold Mr K's complaint I've explained why below.

Mr K has explained that he repaid a large amount of debt in 2019. He says he started to apply for credit again after this but he was refused. And he also applied for employment but this wasn't successful either. He says that when his credit file was rectified he was able to obtain further credit and his job searches were more successful. So he thinks Satsuma's error was the reason why he couldn't obtain lending or secure the employment he was applying for.

Satsuma has a responsibility to report to a credit reference agency accurate details about a loan amount, some of the terms of the loan and how the loan has been repaid. For the most

part Satsuma has done this. The details on the credit report I've seen do show the amounts borrowed and repaid. And it does show that Mr K was unable to make the payments as originally agreed.

Satsuma has said that, at times, it didn't inform the credit reference agency that Mr K had entered into an arrangement to pay. It's not in dispute that Satsuma made this error but it's not clear if this would have materially affected Mr K. This is because, even if the arrangement to repay information was correct, his credit report would still show significant arrears on the original loan. And it would also show that Mr K was unable to fully make the arrangement to pay repayments at times.

And I've no way of reasonably saying that any errors or omissions by Satsuma influenced either the other lenders or his prospective employers decisions. It could be that the information about the actual loan repayments, or some other factors entirely, were the reasons why he couldn't obtain credit or secure other employment.

So, whilst Satsuma didn't always report Mr K's credit problems correctly, I think the steps it took to resolve this were reasonable and it doesn't have to take any further action. And so I'm not upholding Mr K's complaint.

My final decision

For the reasons set out above, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 September 2020.

Andy Burlinson
Ombudsman