

## **The complaint**

Mr B complains that, after he complained to NewDay Ltd, his credit score was detrimentally impacted as a result of query markers it placed on his credit file.

## **What happened**

The background to this complaint and my initial conclusions were set out in my provisional decision dated 2 April 2021 – a copy of which is set out here. In my provisional decision I explained why I didn't intend to uphold Mr B's complaint. I said:

### ***“ What happened***

*Mr B held a credit card with NewDay. He opened his account in January 2017 and had a longstanding history of settling his account balance in full each month.*

*In February 2020 Mr B said NewDay changed the way it operated its online account management system. And he said he couldn't access or administer his account on his computer following this change.*

*On 17 February Mr B contacted NewDay to ask for help in accessing his online account. He was guided through the online password reset procedure. But, the following day, he encountered the same problem and his account became blocked. He telephoned NewDay to unblock his account and complained about how the change was impacting on him.*

*NewDay investigated Mr B's concerns but didn't uphold his complaint. It did, however, apply a credit to his account as a goodwill gesture to reflect the inconvenience he'd experienced in trying to access his online account.*

*Mr B subsequently found out that his credit score had decreased. He attributed this to a query marker NewDay had recorded on his credit file following the complaint he'd made. And, on 22 April, he lodged a complaint about the marker NewDay had recorded.*

*When NewDay responded to Mr B's second complaint it explained that it hadn't made an error. It said his credit score wouldn't have been affected by it had applying a credit to his account. And it recommended he contact Credit Reference Agencies (CRAs) in order to clarify why his score had been impacted.*

*Mr B then discovered NewDay had recorded a second query marker on his credit file, which he said further reduced his score. He therefore referred his complaint to our service.*

*Our investigator looked into what had happened and recommended upholding this complaint. He accepted NewDay's explanation that it would apply a query marker while it was investigating a customer's complaint in line with business practice. But he thought that process had resulted in an unfair outcome for Mr B. So, he recommended that NewDay compensate Mr B in the sum of £75 to reflect the trouble and upset he'd experienced.*

*Mr B accepted our investigator's view of his complaint. But NewDay didn't agree and asked*

for the matter to be referred to an ombudsman. I've therefore been asked to make a decision.

### **What I've provisionally 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. Having done so, I'm departing from what our investigator has said. I'll explain why.*

*I'm aware that I've summarised the events of the complaint. I don't intend any discourtesy by this - it just reflects the informal nature of our service. I can see Mr B has gone to some trouble to provide us with some detailed submissions. I want to assure him that I have read everything he has sent us. I hope he will understand if I don't address every comment he's made in this decision. I intend to concentrate on what I consider is key to the complaint.*

*I'm sorry to hear about the difficulties Mr B experienced here. I can see how strongly he feels about the issues raised in this complaint. My role is to assess whether I think NewDay made a mistake, or treated Mr B unfairly, such that it needs to now put things right.*

*NewDay told our service it records a query marker when an account holder raises a complaint. It's said this is in line with business policy and I've no reason to doubt what it's said about that. NewDay's decision to record a query marker is a business decision that it's entitled to make. And it's not a decision we can interfere with. But sometimes where a business strictly follows its policies and procedures it can lead to an unfair outcome for an individual consumer, which is something we can look at. So, I've considered whether that happened here.*

*I can appreciate why Mr B feels that he's been penalised by NewDay for making complaints about his account and the action it's taken. He believes the markers it recorded with CRAs, as a result of him raising complaints with it, has impacted his credit score.*

*I think it would be helpful if I explain to Mr B that in order for me to award compensation based on his complaint, I'd have to be satisfied that his credit score declined specifically because NewDay recorded query markers on his credit file.*

*In this case, it isn't in dispute that NewDay recorded a query marker after each complaint that Mr B raised. Mr B argues that these markers caused his credit score to decline but NewDay refutes this.*

*Mr B told our investigator that, following his first complaint, his credit score declined to 506 out of a maximum score of 700 in April 2020. But I haven't seen any evidence showing what his score was prior to NewDay recording its query marker. So, I can't compare Mr B's credit score in April 2020 to how it was before that date.*

*Mr B appears to suggest that his score was 700 from prior to NewDay recording the first query marker on his credit file. But, in the absence of evidence from Mr B, I can't fairly infer that his score had reached the maximum possible.*

*I accept that Mr B had a blemish free history of consistently making payments to NewDay on time. With that in mind, and based on the available evidence I've seen, I'm not persuaded that a single query marker recorded by NewDay would have caused Mr B's credit score to significantly reduce as he believes.*

*I'm not satisfied it's possible to draw the conclusion that Mr B's credit score declined as a result of the first query marker NewDay recorded. Based on the available evidence it*

wouldn't be safe to reach that conclusion.

*I can see that Mr B's credit score declined further from 506 in April to 495 in May. He believes this occurred as a result of his second complaint with NewDay. But I have to take into account here that there can be many reasons why a credit score can decline. And, while I can understand why the issues affecting Mr B caused him great concern, I haven't seen enough to show the reduction in his score in May 2020 was caused solely because of the second query marker NewDay recorded.*

*Mr B's credit score increased to 506 in June and went up again the following month to 527. He believes this supports his argument that the query markers NewDay had recorded were responsible for the score reduction during the previous months. But, without seeing a full credit report, it's difficult to know what led to the increase in score. It's also important to note that the 'score' that Mr B will see is information for customers – rather than information that a business will use when assessing applications for credit. I'm not persuaded I can draw the conclusion that Mr B wants me to. I'm sorry to disappoint him but I haven't seen any substantive evidence to allow me to safely conclude that the action NewDay took negatively impacted his credit file.*

*In Mr B's complaint referral, he mentions that he's concerned that the query markers "may affect any applications for credit". When our service considers complaints we look at what actually happened. We can't award compensation based on hypothetical and speculative situations.*

*Here, I haven't seen any evidence that demonstrates that Mr B's ability to obtain credit has been compromised as a result of NewDay's actions. I can see he opened a new account in July 2020, which would have resulted in a credit check. I'm therefore not satisfied that NewDay's actions impacted on Mr B in the way he's suggesting.*

*I also haven't seen any evidence to show that Mr B incurred financial loss as a result of the query markers that were recorded. In those circumstances, it wouldn't be fair or impartial of me to tell NewDay to pay compensation for something there's no evidence of. If Mr B would like to provide evidence to the contrary I will, of course, consider it when I review any responses to this provisional decision.*

*NewDay has shown our service evidence that the query markers were reported under the status "U". U markers generally have a neutral effect on a credit file. They don't, for example, suggest an account has defaulted or that there are payment arrangement plans or arrears. So, a U marker isn't usually considered to be positive or negative by a business providing credit.*

*I can see Mr B has provided extracts of a credit report to our service. This seems to indicate there are missed payments recorded on his credit file. I haven't seen evidence demonstrating who has recorded missed payments. I'm not satisfied there were reported by NewDay– it only recorded query markers as a result of the complaints Mr B had made. It appears to me that Mr B should explore with the CRA he obtained his credit report extracts from whether it has recorded information reported to it correctly.*

*I should also add that, if Mr B is unhappy with the information recorded on his credit file, he can put a "notice of correction" on his credit file if he wishes so this can be taken into account with future lending applications. It's up to individual lenders how they consider this though.*

*I know this won't be the response Mr B will want and I understand he feels very strongly about the issues raised in this complaint. But for the reasons given, my provisional view is that I'm not minded to uphold this complaint."*

In my provisional decision I invited both parties to respond with any additional information they wanted me to consider before I made my final decision, which is our service's last word on the matter.

Mr B responded to say that he had received my provisional decision but did not agree with it. He didn't put forward any further arguments or provide any further evidence. NewDay acknowledged receipt of my provisional decision and confirmed its agreement with the content.

### **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.

Having done so, and in light of the fact neither party has presented any new evidence or arguments for my consideration, I see no reason to reach different conclusions to those set out in my provisional decision.

I therefore remain persuaded that NewDay hasn't acted unfairly or unreasonably here. I'm still satisfied that Mr B's complaint shouldn't be upheld.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 June 2021.

Julie Robertson  
**Ombudsman**