

The complaint

Mrs H complains that Provident Personal Credit Limited, trading as Satsuma, incorrectly updated her credit file following an arrangement to pay. She complained that this had concerned her and had caused her to have a reduced credit score and she needed it amended.

What happened

Mrs H took two loans with Satsuma and a brief loan table will assist to understand the chronology of events surrounding these two loans.

Loan	Approved	Amount	Arrangement to repay date (if applicable)	Closed
1 *8654	3 February 2019	£200	-	November 2019
2 *8573	28 March 2019	£440	August 2019 £50 pcm	21 July 2020

Mrs H had another issue with loan 2 which was a separate complaint and resolved between Mrs H and Provident around October 2019. The account notes for that incident say this:

'Customer has been in an agreement since August 2019 to make payments of £50 per month. There was an issue on our end with the dates being incorrect. This resulted in a notice of default and the arrangement was restarted and the payments have since been made on time. None of this is being reported to the customers credit file.'

Mrs H's other complaint which she's referred to us, commenced around January 2020 and it relates to the way that the loan 2 'arrangement to pay' agreement she had with Provident had been reported, and subsequently noted, on her credit file. Provident looked at her complaint and upheld that part relating to the credit file reporting.

The final response letter (FRL) it sent to Mrs H in June 2020 explains that it upheld that part of her complaint and I have replicated some of the relevant paragraphs here. I have kept the dates in these paragraphs as they were in the FRL as the mistake in the second paragraph may have been significant.

Those relevant paragraphs are:

'Having investigated your complaint and your first concern in regards to your arrangement not reflecting on your credit file.

I have reviewed your credit file and found that we have not shared the correct information as to show you being in an arrangement with us. I can see you have maintained the arrangement repayments that you had set up in August 2020. Please accept my sincere apologies for this error made.

I have liaised with the relevant department and have requested an immediate amendment to show you being in an arrangement from August 2019. Please allow 6 to 8 weeks for this to reflect on your credit file.

As a result of the above, I will be upholding this element of your complaint.'

And later in that FRL it said

'By way of a further apology I have reduced your balance by £30.00...'

Mrs H was content with this but referred her complaint to this Service in October 2020 and explained that the situation for her had not altered. She had accepted the £30 reduction by way of an apology and the credit reporting had been partially amended for two of the months but seemed to be incorrect still.

One of our adjudicators looked at the complaint and sent his first view which endorsed Provident's outcome in the FRL. But Mrs H continued to say that her credit file was incorrect.

Provident explained

'...I have checked TransUnion and can see as agreed on the final response an arrangement is showing from August 2019. However this may still reflect as arrears as this will accumulate as such due to the customer not paying the original scheduled amount and is therefore correct to reflect both arrears and an arrangement. As this is correct no further amendment is required.'

Mrs H replied, *'The payments ive [sic] made have not been marked as paid, instead as missed.'*

Our adjudicator sent a second view in which he said

'...the 11 missed payments that you have mentioned appear to correspond to the number of payments made towards the reduced repayment plan (11 x £50) – so I don't feel that the business has done anything wrong here, because technically you were still in arrears against the terms of the original agreement (5 x £154.88).'

Mrs H asked that the complaint be reviewed. Mrs H would like her credit file to be updated to accurately reflect the loan repayments (she has paid it off now), and she'd like some compensation for the trouble and upset and the impact it has had.

The complaint remained unresolved and was passed to me to decide. I issued a provisional decision outlining what I thought Provident should do. That was on 8 September 2021. Both parties have responded to say that they are content with it and so this is my final determination. My provisional decision findings are set out below.

Provisional decision findings of 8 September 2021

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

The underlying issue has been accepted by Provident. It's June 2020 FRL makes it clear that it could see that the credit file did not reflect her 'arrangement to pay' agreement with it. So, on that element I need not take up too much time. What appears to have happened is that in or around June 2020, Provident instructed its credit reference agency (CRA) to make some changes to Mrs H's credit file, but Mrs H remains unhappy.

It's been explained by our adjudicator to Mrs H on the telephone that in fact, the credit report probably ought to show 'A' (for 'arrangement') and not green ticks which was the code used with this CRA to show 'OK'. Currently some of the months show 'X' which is the code used to demonstrate missed payments. Mrs H seemed to agree that the accurate reporting should be 'A' and not green ticks where relevant.

Mrs H has sent a recent personal credit file (1 September 2021). The Provident loan 2 entries appear as I have duplicated below. The initials on the top line refer to the months of the years. I have had to use the words 'tick' rather than the icon of a green tick. Mrs H's credit file shows loan 2 as this:

	J	F	M	A	M	J	J	A	S	O	N	D
2020	X	X	X	X	X	tick	tick	tick				
2019				-	-	tick	X	X	X	X	X	X

It may be that Provident's explanation (set out in the earlier section) technically is correct, but in its June 2020 FRL that's not what it said it was going to do to resolve the complaint which was

'...I have liaised with the relevant department and have requested an immediate amendment to show you being in an arrangement from August 2019.'

So, Mrs H has not received the resolution it said it would give her. And still I think that the green ticks which do show for some of the months in the loan 2 CRA record may also be incorrect, as Mrs H was not paying the full instalment amounts each month she was paying the lesser agreed amounts. So Provident still has not put right what it said it would put right.

My view is that the CRA record should be as follows:

	J	F	M	A	M	J	J	A	S	O	N	D
2020	A	A	A	A	A	A	A					
2019				-	tick	X	X	A	A	A	A	A

My provisional decision is that Provident attempted to resolve this last year and in its FRL dated June 2020 Provident communicated that to Mrs H, but Provident's amendment of Mrs H's credit file was done incorrectly and it needs to be amended.

I have thought carefully about the fact that Mrs H would like compensation. I note that Provident's action to put things right was communicated to Mrs H in June 2020, and in September 2021 the matter had not been fully resolved. So, I think that this has caused additional inconvenience to Mrs H but not enough for me to feel that compensation is due.

And as for Mrs H saying that she feels its impacted on her credit file then I have thought carefully about this. I note that Mrs H's other loan, loan 1, has not been included in this complaint and so I make no findings in relation to it. But I can see from her recent credit file that there are several 'X' entries to show missed payments on that part of her file.

And so, whether Provident had entered her loan 2 arrangement to pay as 'A' or 'X' there would still have been the 'X' entries on the loan 1 part of her credit file. Added to which I think it's likely that loans with 'arrangements to pay' noted on them affect credit scores.

I think that even if the 'X' entries for loan 2 had influenced Mrs H's credit score and rating I think it likely to have been marginal as Mrs H already had other entries on her credit file likely to have affected her credit score too. So, I am not planning to award any further compensation for that element either.

My provisional decision is that I am planning to uphold Mrs H's complaint and I am planning to direct that Provident Personal Credit Limited does as I have outlined above.

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.

Provident has responded to say:

'We can't see there would be any further information we can provide on this complaint and therefore would agree with the outcome. We'll await the Ombudsman's final decision and then take the appropriate remedial action.'

Mrs H was informed that Provident had agreed to the proposed outcome and said she was content with the resolution.

So, I see no reason to alter the finding set out above and so they are repeated here and become part of this final determination. For the reasons given I uphold Mrs H's complaint.

Putting things right

Provident's amendment of Mrs H's credit file was done incorrectly in 2020 and it needs to be amended. The recommended amendments are set out in my provisional decision incorporated into this final decision.

My final decision

I uphold Mrs H's complaint and I direct that Provident Personal Credit Limited does as I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 14 October 2021.

Rachael Williams
Ombudsman