

The complaint

Ms W complains that after resolving a complaint with her in January 2022, Morses Club PLC did not do as it said it would do in the settlement agreement – namely – remove all the loans it said it would remove from her credit file.

What happened

Ms W complained to Morses about the affordability of her loans in November 2021. It reviewed her complaint, issued its final response letter in January 2022 in relation to that and upheld her complaint in part.

Ms W had been approved for 16 loans and Morses upheld her complaint for loans 6 to 16. It issued a detailed FRL showing the loans that it was upholding, the loans it was not upholding, a calculation of the redress due and that the last loans – unpaid – were going to be written off. Those last loans had been transferred to a debt collection agency I'll refer to as 'LL'. And Morses informed Ms W that her credit file was going to be amended to remove loans 6 to 16 from her credit file record.

Ms W has said that LL were '*...still harassing me and sending me threatening emails about bailiffs attending my property*'

The current complaint started because the loans had not been removed from her credit file. Ms W referred her complaint to the Financial Ombudsman Service in June 2022 and at that time she told us the loans still showed on her record.

On 15 August 2022, the last four loans - loans 13 to 16 – were removed from Ms W's credit file. She has said this long delay has caused her anxiety and has prevented her from obtaining other credit.

Morses investigated it and issued an FRL for this complaint dated 6 September 2022 in which it admitted that it had arranged for loans 6 to 12 to be removed from her credit file but not loans 13 to 16. Those last Morses loans have now been removed from Ms W's credit file. Morses accepted it had got it wrong and offered compensation of £100.

Ms W was not content and referred it to the Financial Ombudsman Service. She explained that it had affected her mental health. And that the LL had continued to hassle her with letters and demands after the original affordability complaint had been resolved. Ms W wanted more compensation. One of our adjudicators considered that the £100 was a satisfactory amount.

And he did not have any evidence from Ms W which demonstrated to him that Morses' mistake had caused her to be declined for other credit. So, he did not uphold Ms W's complaint as he felt that the 6 September FRL was a suitable outcome for Ms W and Morses did not need to do more.

Ms W's response was a succinct summary of the situation: '*I would like a [sic] ombudsman to look at my complaint please if that is possible 8 months is a long time for somebody to not agree to a final settlement agreement when they said it would be done in 6 weeks*'

The unresolved complaint was passed to me to decide.

I asked Morses for the original FRL from January 2022, further evidence such as account notes and/or recorded calls about the times that Ms W had contacted them about the credit file amendment and copy correspondence between Morses and LL. Most of this has been provided or explained. I have not received copy recorded calls but I have relatively detailed account notes covering the period January 2022 to 6 September 2022. I have no evidence from Ms W.

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.

Ms W has explained the issues and what has happened. As well as Ms W explaining the impact she says it had on her mental health, she said this in her complaint for to us:

'I can't get any other credit or finance due to the missed payments still on my credit file'.

But Ms W has not been able to send to us any evidence of the impact these Morses entries on her credit file has had on further credit applications. And so, I can attach little weight to that claim by her. Ms W has had time to send information to us. I cannot make a finding that the credit file mistake by Morses led to her not obtaining credit elsewhere.

And I am sorry to hear of the mental health issues and I hope that this decision finds her in a better place. But I am not persuaded that the non-removal of loans 13 to 16 until August 2022 was enough to lead me to think that her mental health deteriorated to the extent she has described. And I explain here.

Ms W's credit file would still have had the Morses loans on her credit file as some of the loans were not part of the Morses complaint uphold – meaning loans 1 to 5. Morses has explained that the loans 6 to 12 were removed when it said it would do. And I've not seen anything to make me think that it didn't do this in time. And Morses had explained to Ms W that the amendments to credit files can take up to 60 days to show. And it was likely that even with Morses' mistake, Ms W would have had the Morses loans 1 to 5 and loans 13 to 16 showing on her credit file for some time. After the whole thing had been corrected in August 2022, still the Morses loans 1 to 5 would have appeared on her file. And on balance, and without evidence from Ms W to show otherwise, I doubt that the additional four loans on her credit file would have made that much of a difference.

In relation to the correspondence between Morses and LL, I have been sent copy emails from LL to Morses dated 12 March 2022 saying that it wanted a confirmation about loans 13 to 16 as Ms W had told LL they were the subject of a complaint and were closed.

Morses confirmed to LL on the same day that *'I can confirm that the affordability complaint has been upheld and the below loans are due to be written off/closed and recourse.'*

LL then informed Morses that those accounts would be returned to it. Recently Morses has explained to us that the 'recourse' was done 12 April 2022 and so far as Morses is concerned it does not know why LL continued to contact Ms W in the way she has described.

Ms W has said that she has made a complaint to LL, and as that would be a different and separate complaint with a different respondent business I can make no comment on it in this decision. It's not something I can address in a decision relating to a complaint about Morses.

Ms W has asked that Morses does as follows:

'To remove everything off my credit file which was agreed in the final settlement and for some form of compensation due to the stress and anxiety this has caused me to continue to have'

The loans 6 to 16 have now been removed from Ms W's credit file, and I do consider it was wrong for Morses to fail to get the original redress offered correct from the beginning. But the £100 offered was a suitable sum.

I do not uphold Ms W's complaint, which means that the £100 offered in the original FRL to Ms W in September 2022 needs to be paid to her if she chooses to accept it.

My final decision

My final decision is that I do not uphold Ms W's complaint, but I do endorse the offer in Morses Club PLC final response letter dated 6 September 2022.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 9 January 2023.

Rachael Williams
Ombudsman