

The complaint

Mr F complains Advanced Payment Solutions Limited trading as Cashplus has caused him significant distress because it didn't deal with his bankruptcy properly. He wants them to deal with the issue and pay him compensation.

What happened

Mr F has an account with Cashplus.

In 2016 Mr F's account went overdrawn. He had other debts too and in September 2022 he successfully applied to be made bankrupt.

Mr F says his bankruptcy was discharged on 1 March 2023. Despite this, he says Cashplus continue to record his account as in arrears. Mr F emailed Cashplus on 20 March 2023 complaining that it hadn't dealt with his bankruptcy properly.

Mr F says Cashplus didn't look into his complaint and didn't deal with his bankruptcy. As he was unhappy he complained to us.

One of our investigators looked into Mr F's complaint. In the course of doing so Cashplus said that Mr F's credit file was now up to date and the amount he had been defaulted for was shown as settled as of 1 March 2023. Our investigator said that they didn't think Cashplus had to do more or had made any errors. So, they didn't recommend his complaint be upheld. Mr F said that all his other creditors had recorded his debts as settled as of 1 September 2022. In other words, the date on which he'd been declared bankrupt. So, he still wasn't happy with Cashplus or our investigator's recommendation. He remained unhappy with the way Cashplus had handled the issue too – and gave several examples of where it had gone wrong. As Mr F wasn't happy with our investigator recommending that his complaint shouldn't be upheld, he asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, 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.

There are, in my view, two parts to this complaint. The first part, which I'll deal with in a moment, is whether or not Mr F's credit file now accurately reflects the fact that he's been made bankrupt and being discharged. And the second part, which I'll go on to deal with, is whether or not Cashplus made errors along the way. Mr F has given a number of examples of things he says Cashplus did wrong. For example, ignoring his bankruptcy accountant when they sent Cashplus notice of his discharge, continuing to refer to him by his previous name and taking too long to reply, amongst other things.

Question one – is Mr F's credit file now accurate?

Mr F has sent us a copy of what his credit file now says about his Cashplus account and

other accounts he has / had with other creditors. I can see from what he sent us that his credit file was updated on 21 June 2023 as far as his Cashplus account is concerned and now shows his account as settled as of 1 March 2023. In other words, as at the date his bankruptcy was discharged. I can see that other creditors have said his accounts were settled as of 1 September 2022. In other words, as at the date he was made bankrupt. But as his debts weren't written off until the end of his bankruptcy, I don't think it was unfair or unreasonable of Cashplus to update Mr F's credit file in this way. I accept that other businesses have adopted a different approach, but that doesn't mean Cashplus' approach is wrong. In short, I'm satisfied that within two months of Mr F being discharged Cashplus had arranged for his credit file to be updated appropriately. I don't think that's unreasonable.

Question two – did Cashplus make errors along the way?

Cashplus wasn't able to give a substantive response to Mr F's email straightaway. It didn't necessarily have to, but in any event I can see why it took Cashplus longer than it might otherwise do so to get back. I say that because after his account had been sold to a third party for collection Mr F changed his name – by deed poll – and as far as I can see he'd not let Cashplus know about this. He appears to have also changed his email address and moved. That meant the details that Cashplus had for Mr F – the ones that he'd originally supplied – were all out of date. So, it took Cashplus some time to work out who was emailing it. As it would have been up to Mr F to update his details, I can't say this was an error on Cashplus' part. In addition, once Mr F had complained, Cashplus had up to eight weeks to investigate and reply. In fact, Cashplus resolved the complaint within that time. So, whilst I can understand that this would have been frustrating for Mr F – bankruptcy is a serious matter and not easy – as he would have been wanting to get on with his life having been discharged, I don't agree Cashplus made errors along the way.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 17 February 2024.

Nicolas Atkinson
Ombudsman