

The complaint

Miss C complains about an IVA record on her credit file with Experian Limited.

What happened

In late 2018 Miss C discussed her circumstances and finances with a business I'll refer to as P that provides debt advice. Following a review of Miss C's circumstances, P arranged an IVA in respect of her outstanding debts. The IVA was approved following a Meeting of the Creditors on 27 December 2018 and accepted by Miss C.

Miss C's explained that at the time she was discussing the IVA options with P she was experiencing serious health problems. But in mid January 2019, Miss C's health improved and she's explained she reconsidered the decision to proceed with the IVA. Miss C contacted P and the IVA was cancelled. P issued a Certificate of Termination to show the IVA had been cancelled.

In 2020 Miss C contacted Experian and provided a copy of the Certificate of Termination. Experian sent Miss C a letter on 1 October 2020 and advised it had updated the IVA entry to reflect it had failed and advised it would remain on her credit file for six years from the date it was entered into.

Last year, Miss C contacted the credit reference agencies and explained that the IVA should be removed from her credit file as it was cancelled in January 2019. Miss C says that another credit reference agency agreed to remove the record but Experian declined. Miss C complained and Experian issued a final response.

Experian said that the information it was recording concerning Miss C's IVA was correct and that it would continue to be recorded for six years after it was first registered.

Miss C referred her complaint to this service and it was passed to an investigator. The investigator wasn't persuaded Experian had made a mistake or acted unfairly by declining Miss C's request to remove the IVA from her credit file. Miss C asked to appeal and explained she was suffering health issues when she entered the IVA and took quick action to cancel it once her health improved and she realised it wasn't the right option for her. Miss C pointed out no payments were made during the short time the IVA was active. As Miss C asked to appeal, her complaint has been passed to me to make a decision.

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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've

focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Miss C feels it's unfair that the IVA remains on her credit file given she cancelled the agreement within a few weeks of it being approved and set up. But I need to explain that Experian wasn't the party that arranged the IVA on Miss C's behalf and wasn't responsible for the way it was administered. Here, Experian's role is to provide an accurate credit file, taking all the available information about Miss C into account.

Miss C's forwarded a copy of her complaint response from P after she raised concerns about the IVA. P's response says that the IVA was approved following a Meeting of the Creditors on 27 December 2018 and accepted by Miss C on the same day. As a result, P's letter confirms Miss C did enter into an active IVA.

When Miss C realised the IVA wasn't right for her, she contacted P and it was cancelled. A Certificate of Termination was issued to reflect that and I can see a copy has been provided to Experian. Whilst I accept the IVA was only active for a few weeks and no payments were made, I'm satisfied it was set up and approved. So I'm satisfied Experian has reasonable grounds to record that on Miss C's credit file.

I can understand why Miss C feels the decision not to remove the IVA is unfair, but I haven't found grounds to say Experian's reporting the wrong information. Experian is recording that Miss C entered into an IVA that was subsequently terminated. That accurately reflects Miss C's decision to cancel the IVA in January 2019.

I can see our investigator highlighted a section of The Gazette's website that talks about what happens when an IVA is cancelled. It says a cancelled IVA will remain on someone's credit file for six years from its start date. Experian's confirmed that the IVA will remain on Miss C's credit file until 27 December 2024 – six years from the date it was entered into. The IVA will then be removed from Miss C's credit file. Having considered all the available information, I'm satisfied that Experian is following the correct approach.

I'm very sorry to disappoint Miss C but as I haven't been persuaded that Experian has made a mistake or treated her unfairly I'm unable to direct it to remove the IVA from her credit file or uphold her complaint.

My final decision

My decision is that I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 April 2024.

Marco Manente
Ombudsman