

The complaint

Mr E has complained to us about an error made by Fund Ourselves Limited (“Fund Ourselves”) when it incorrectly reported payments as having been made late on his credit file.

What happened

Mr E took out a loan with Fund Ourselves in February 2019. He is unhappy that Fund Ourselves was incorrectly reporting late payments on his credit file for several months despite his making the required loan repayments on time.

Mr E discovered this in July 2023. Fund Ourselves corrected Mr E’s file soon after he contacted them and provided proof that he’d made the payments. The entire loan was then removed from Mr E’s credit file.

Mr E is seeking compensation for the damage to his credit file and the stress and inconvenience he’s been caused. He says he has been declined credit due to the error. I issued my provisional decision on 23 February 2022. I thought Mr E ought to be awarded compensation of £200 rather than the £100 suggested by our investigator. I set out an extract below:

“I think it’s common ground between the parties that Fund Ourselves made an error. Fund Ourselves says, however, that the incorrect reporting lasted for only a few months and they rectified the issue as soon as Mr E contacted them, with the loan being removed entirely from his credit file.

Mr E feels strongly that he was turned down for further credit due to the error. He is also concerned that as a result he is now paying a higher level of interest on borrowing than he otherwise would. He has been trying to rebuild his credit record and so he says Fund Ourselves’ error has unnecessarily delayed that happening. He has provided us with evidence of his credit file being checked as part of various credit applications.

So the issue that remains for me is whether the proposed award for the impact of Fund Ourselves’ error on Mr E is fair and reasonable. I recognise, as does Mr E, that it is difficult to prove the reason why his credit was declined on each occasion. I don’t think it’s unreasonable to make the assumption that a credit check would have shown up the missing payments and that, for certain lenders at least, this would be a factor in making their lending decision. But what I can’t say with any real certainty – and I realise this a source of frustration for Mr E – is that the error has caused Mr E an additional loss. I have also kept in mind that Fund Ourselves acted promptly when informed of its mistake and removed the loan entirely from his credit file.

But I have also thought about the impact that the error had on Mr E. When I spoke to Mr E briefly before writing my decision, he explained that he had been working to improve his credit file since November 2021 as he was hoping to successfully apply for a mortgage. Against that background, it’s understandable that finding out about Fund Ourselves’ error was likely to lead to a level of stress and worry that was over and above the levels of

frustrations and annoyance one might reasonably expect from day to day life. So on that basis, I intend to increase the award from £100 to £200 for the distress and inconvenience Mr E has been caused. “

Mr E immediately acknowledged my provisional decision and said he would accept the increased award, although he remains of the view that it's insufficient.

Fund Ourselves confirmed receipt of my provisional decision and said it had nothing further to add.

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.

Given that Mr E has accepted my provisional findings and the increase to his compensation award, and Fund Ourselves doesn't want to provide any further evidence or information, my final decision will be to uphold this complaint and make an award for compensation for distress and inconvenience of £200

Putting things right – what Fund Ourselves needs to do

It follows that I think it's fair and reasonable for Fund Ourselves to pay to Mr E the sum of £200 by way of compensation for distress and inconvenience.

My final decision

For the reasons I've explained in my provisional decision and as set out above, I uphold Mr E's complaint and require Fund Ourselves Limited to pay him compensation for distress and inconvenience in the sum of £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 26 March 2024.

Michael Goldberg
Ombudsman