

## **The complaint**

Mr K complains that Premium Credit Limited (PCL) opened a credit agreement without his authorisation and are incorrectly reporting missed payments to his credit file.

## **What happened**

In February 2022 PCL received instruction to set up a credit agreement to fund Mr K's insurance policy. This means that PCL pay the company providing the insurance to Mr K in one payment for the policy, and Mr K repays PCL by way of monthly payments, usually plus interest, under the credit agreement.

Payments were collected successfully until November and December 2022, when these payments were missed. PCL sent payment reminders to Mr K, and he made the missed payments within the calendar month they were due. Mr K accepts that these payments were made late.

PCL received another instruction to set up a new agreement for the renewal of Mr K's policy in February 2023. They sent the repayment schedule to Mr K and collected payments in both February and March 2023.

Mr K complained to PCL in February 2023 that he didn't ask for this agreement to be set up and had wanted to pay the renewal premium in full rather than by use of another credit agreement. Mr K also complained about the missed payments being reported to his credit file for the first agreement.

PCL sent Mr K their final response to his complaint in March 2023. They said they received instructions from a third party to set up a credit agreement for Mr K in order to fund his insurance premiums for a renewal policy in February 2023. PCL said they were able to collect payments without a signed agreement, and two payments were made successfully before the agreement was cancelled. PCL said Mr K missed two payments under his previous credit agreement with them, and these were correctly reported to credit reference agencies. They didn't uphold Mr K's complaint.

Unhappy with their response, Mr K brought his complaint to this service for investigation. He said the missed payments under the first agreement were being reported for the incorrect months, and he didn't agree to the credit agreement for the renewal policy.

Our investigator gave her view that PCL had received instructions to set up the credit agreement, and so they'd acted fairly in doing so. She said Mr K didn't provide copies of his credit file, and she couldn't see that the payments he'd missed in November and December 2022 were being reported incorrectly, and so she didn't ask PCL to do anything more. Our investigator suggested that Mr K might want to raise his complaint about the instruction to enter into the credit agreement with the third party that sent it to PCL.

Mr K didn't agree. He said his credit file was showing incorrectly reported missed payments, and he did ask to cancel the agreement within the cooling off period. Mr K provided a copy of his credit report and the emails he sent to PCL in the cooling off period.

Our investigator reconsidered the information and gave her view that Mr K had received automated responses to his emails about cancellation confirming that they'd been sent to an unmonitored mailbox, so she didn't think PCL had done anything wrong in setting up the agreement and beginning to collect payments. She said the credit report showed that the missed payments for the first agreement were being reported incorrectly, and so PCL should correct this and pay Mr K £75 compensation to reflect the distress and inconvenience caused.

Mr K accepted our investigators view, but PCL didn't agree. They said they'd provided the correct information to credit reference agencies and any error was on the part of the agencies and not something they could correct.

I issued a provisional decision on this complaint in June 2024 recommending that it was not upheld. I made the following provisional findings:

*PCL provided Mr K with a running account credit facility in order to fund his insurance premiums. This is a regulated agreement and so we're able to consider complaints about it.*

#### Setting up the new agreement

*PCL say they received instructions from Mr K's insurer to set up a credit agreement for the renewal of his policy in February 2023. I can see that PCL sent Mr K a welcome pack by email detailing the payment schedule and asked him to sign the agreement.*

*I've seen evidence that Mr K emailed PCL to say he hadn't agreed to the credit agreement within the cooling off period, but this email was sent to an unmonitored address, and PCL sent Mr K an automated response to this email informing him of this and asking him to get in touch in other ways if he had a query. I haven't seen any evidence that Mr K contacted PCL by any other method to let them know he didn't want the agreement.*

*Based on the evidence, I'm satisfied that PCL received an instruction to set up an agreement, and that they did so fairly. I understand that Mr K has already complained to the provider of his policy about the instruction that they sent to PCL and has arranged to pay his premium in full rather than by way of the credit agreement and he hasn't been charged any interest.*

#### Missed payments and the credit file

*It's not in dispute that the payments due in November and December 2022 under the first agreement with PCL were made late by Mr K.*

*This agreement started in February 2022, but I've seen evidence from Mr K's credit file that the payment history is recorded as starting in September 2021, some five months before the agreement was actually entered. Mr K's credit file also shows the missed payments as occurring in May and June 2022, some five months before they actually were missed.*

*I've seen evidence from PCL of a report shared between them and credit reference agencies that correctly details Mr K's agreement as starting in February 2022, and payment for November and December 2022 being late. I'm satisfied that this is the information PCL shared with credit reference agencies, and I'm not persuaded that they incorrectly reported the late payments made by Mr K.*

*Following our investigators view that PCL should amend Mr K's credit report, they provided evidence that they'd used a daily communication with credit reference agencies to point out*

*that Mr K's agreement was being reported as starting in the wrong month, and so the late payments were subsequently being reported for the wrong months. I can see that PCL received confirmation from credit reference agencies that this information had been corrected by them.*

*All things considered, I'm satisfied that PCL reported the status of Mr K's agreement correctly from the outset, and that they have asked those agencies to correct any information that is showing differently on Mr K's credit file. So, I don't think PCL need to do anything more to put things right. As I'm satisfied that they reported Mr K's information correctly from the outset and haven't treated Mr K unfairly as a result, I'm also not asking them to make any payment for distress or inconvenience.*

*Should Mr K's information still be incorrect on his credit report, he may wish to take this up with the credit reference agencies directly.*

Mr K didn't respond to my provisional decision.

PCL responded to my provisional decision to say they 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.

As neither party has raised any new arguments, or sent me new information to consider, for the same reasoning that I set out in my provisional decision, I've decided not to uphold this complaint.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 July 2024.

Zoe Merriman  
**Ombudsman**