

The complaint

Mr H complains Cabot Credit Management Group Limited (Cabot) incorrectly linked him to another individual who had a credit card and a current account which were in default. They reported this information on Mr H's credit file in error which has caused him significant distress.

Mrs H is supporting Mr H in bringing this complaint.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

In April 2023 Mr H complained to Cabot about an account opened in his name in May 2022 with a lender I'll refer to as H. Mr H said the account Cabot were contacting him about was nothing to do with him. He said he'd reported this as fraud, and asked Cabot to open a complaint – telling them he wanted them to open an investigation into how this was allowed to happen.

In June 2023 Cabot said they'd liaised with their Customer Locations team, who said Mr H's address had been incorrectly linked to their customer. Cabot said their records had been amended, and Mr H would no longer be contacted about this. They said sorry for what happened, said they'd deleted any credit links and offered to pay Mr H £250 compensation.

Mrs H contacted us in July 2023 to explain the links still hadn't been removed and asked us to look into things. She also spent some time, then and at times throughout the complaint, explaining the impact on her and Mr H. I thank her for doing so and haven't repeated any of this out of respect for their privacy, as this decision is published.

When our Investigator first started looking into things, the incorrect information was still showing on Mr H's credit files. Mr and Mrs H raised disputes with the three main Credit Reference Agencies (CRAs).

Each of the CRAs said the issue wasn't their responsibility the links hadn't been removed – it was due to Cabot's actions. Cabot said once the incorrect address link was resolved, this would remove the accounts that were incorrectly reporting against Mr H's credit files.

After a significant amount of investigation, with Cabot denying responsibility for Mr H's issues on every occasion saying they had asked for the incorrect address to be delinked, our Investigator upheld the case. This was in March 2024. Her outcome was for Cabot to identify the reason for the problem, if they couldn't by 31 March 2024 to remove any trace of reporting an account and pay a total of £600 compensation.

Mrs H said she didn't dispute anything in the letter, but they were still left with the address link and one of the accounts not having been removed. She said she was concerned Cabot wouldn't do what our Investigator had said.

Our Investigator reiterated to Mrs H that if Cabot couldn't identify the problem on Mr H's credit files by 31 March 2024, then they should remove all traces of any accounts.

In April 2024 Cabot responded to the outcome – and said they accepted it and there was no need for this matter to be referred to an Ombudsman. They said “We have recently highlighted an issue with our mistrace and rectification process, which is currently being investigated by the relevant internal department as a matter of urgency. We believe Mr H... has been impacted by the fault in our process and this issue is currently being worked on. We are sorry for any inconvenience this has caused Mr H...”

After discussions with our Investigator, Mr and Mrs H didn't accept this outcome. They said they were concerned Cabot were only just looking into the mistrace issue when they'd raised it a year earlier. And they didn't think £600 compensation was sufficient.

On 23 May 2024 Cabot told us they'd identified and resolved the issue – and said this had prevented their previous efforts of removing the wrong information from Mr H's account. They said they'd asked the CRAs to remove the defaults and incorrect address links as a matter of priority but were dependent on the CRAs doing this. They also agreed to the £600 compensation our Investigator suggested.

Following further discussion, our Investigator was satisfied Cabot had now actually done all they could. So she issued a further outcome summarising all the events since her earlier outcome, and still felt £600 was a fair outcome. She also explained in this outcome we couldn't consider any impact on Mrs H, because it wasn't her account, only Mr H.

Mr and Mrs H didn't accept this, and so the complaint's been passed to me to decide.

What I've provisionally 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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr H's complaint in considerably less detail than he and Mrs H have. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

Removal of the incorrect information

Cabot have said it's their processes and procedures which have caused the problems in this case – so I'm satisfied it's right to hold them responsible for the issues in it.

Mrs H has said Cabot have told her and Mr H, as well as our service, many times they'd removed the incorrect information – but this proved not to be true. So, she questions how we can be satisfied they have now actually taken the correct steps, given all of their previous communication.

I agree with Mrs H. I find it genuinely extraordinary and completely unacceptable that it took Cabot over a year before they realised there was a problem with their systems which was preventing the error from being fixed. Mr and Mrs H contacted them many times as did our service. The only conclusion I can reach based on the constant explanations from Cabot in

the year April 2023 to April 2024 that they'd done nothing wrong is that they didn't look into matters properly which just can't be good enough.

Given that, I'm not prepared to rely on the comments or evidence that they've removed the incorrect information – because this is what they told us before. So, I'll be ordering Cabot to remove any address links and accounts now known not to belong to this Mr H. I feel this is the only way to provide any certainty to the situation Mr and Mrs H find themselves in. I'll also require Cabot to get explicit and clear clarification from each of the CRAs the data has been removed – and then write to confirm that with Mr H. I don't think Mr or Mrs H should be put to any further trouble if it can be helped by having to confirm this matter has finally been resolved.

Compensation

The rules of our service don't allow me to order Cabot to pay compensation to someone who isn't a customer of theirs for the purposes of the complaint.

Essentially, to be able to bring a complaint to our service, and therefore be taken into account for the purposes of any outcome – you have to be what's deemed an eligible complainant. An eligible complainant is someone acting in their own personal capacity – and someone who has a specific relationship with the business being complained about.

Here, Mrs H doesn't fall into that category. She doesn't have a relationship with Cabot, only Mr H does in the sense it's him they have mistraced. Mrs H is able to deal with things with Cabot and our service, but only because Mr H has given her authority to do so.

As a result of those rules, I'm afraid I can't consider any of the impact on her. I do though want her to know I've read everything she's told our service about the impact, and she has my genuine sympathy for the impossible situation she's been put in.

Turning now to the impact on Mr H, I need to carefully consider what a fair resolution would be.

Cabot accepted initially they'd made an error – and then have, albeit extraordinarily late in the day, accepted they've compounded that error by not fixing the issue due to a problem in their systems.

Mrs H has listed out some of the explicit impact on Mr H as follows:

- *He's had to be at home more frequently, or leave work earlier to be at home to look after his family*
- *Writing emails*
- *Getting reports*
- *Taking phone calls*
- *Multiple visits to open a savings account*

I don't doubt this doesn't capture every single scenario – I've not listed out the hours this will have taken, and it's equally hard to quantify the stress for just these items – let alone everything else Mrs H has talked about which has undoubtedly impacted Mr H as well. I'm also not ignoring that Mr H earns £65 an hour – so the £600 compensation goes nowhere near covering this. In addition, Mr and Mrs H wanted to move, and say mortgage rates are higher than they were before.

Our service doesn't award someone's hourly rate – as generally the reason they're able to charge this figure is due to their professional expertise. And that isn't required to bring a complaint.

I also wouldn't award compensation in this case for a mortgage. As I understand it Mr and Mrs H haven't moved, and at one point Mrs H said they hadn't tried due to the incorrect information. So, I can't know for certain the incorrect information was the sole reason they might not have been able to get a mortgage – as they've said they hadn't tried. I do completely accept negative information could make it harder. But I know mortgage companies sometimes have over 100 points to consider – so even if they had applied, unless the mortgage lender said the sole reason was the incorrect information, it'd still be difficult to say this was the problem.

Deciding compensation isn't an exact science, and I think it's fair to say in this case regardless of the figure I award, it's unlikely to be something Mr H or Mrs H think is sufficient. It's also very difficult to entirely separate the impact on Mrs H (which, for the reasons I explained above I can't consider) from the impact on Mr H – being a married couple, living in the same property, inevitably means some of the impact on Mrs H must impact Mr H as well.

Likewise some of the specific financial impact Mrs H has mentioned – such as wear and tear on the car, petrol costs, signing up to fraud prevention agencies and so on. Even if I were to be extremely forensic about these costs, I think it's unlikely I'd be able to easily or entirely separate Mrs H's costs from Mr H's costs.

So, rather than spend more time attempting to do that, which could end up causing more delays for Mr and Mrs H, I've thought about an overall compensation figure.

I've carefully thought about everything Mrs H has told us, going back over her emails explaining the impact. As I've said above, I'm limited to considering solely the impact on Mr H, and in thinking about that, I think £800 compensation is fair. This takes account of the many hours he's had to put into contacting Cabot, as well as the disruption to his work, and the overall stress he'll have experienced while having to deal with this issue.

Responses to my provisional decision

Cabot replied and said they accepted my provisional decision. They said once Mr H has given them his bank details, they'll make the payment of £800. They said they could write to him, or he could pass them on to him through us.

Mrs H said she and Mr H had discussed things and would accept my provisional decision as well. She said the big thing for them was that Cabot are responsible for removing the link as they can't do it. They ask for a specific date to be put in place, and then if Cabot don't meet that sanctions are then put in place for not complying – such as a penalty of £400 a month. Mrs H also said they didn't want to give Cabot any details such as Mr H's bank details, because of the damage they've caused. She asked Mr H is sent a cheque.

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 firstly thank both parties for replying promptly and am pleased to see both have accepted my provisional decision.

In terms of the payment of £800, I understand Mr and Mrs H's concerns about providing Cabot with information. In the circumstances of this case, it seems a reasonable request for the payment to be made by cheque to Mr H.

In respect of removing the link, I won't be adding sanctions in place if they don't comply. I completely understand why Mr and Mrs H would want this safety net, but that isn't really how our service works and it's not what we're here to do. We consider the impact on the eligible complainant, and if we think there has been an impact then we'll award compensation to reflect that. Here, if Cabot don't comply, our service can't enforce that through the courts – only Mr H can. It may be possible for Mr H to make a claim through the courts for further costs if Cabot don't comply. But, if not, and there has been further issues, then Mr H would be entitled to raise a new complaint about the impact of the delay in removing this data – for Cabot to firstly consider, and then our service if Mr H remained unhappy with any response from Cabot.

In respect of a deadline to complete the removal of the data that's a reasonable suggestion from Mrs H. In thinking about 'what' deadline is fair – both to Mr and Mrs H, as well as Cabot, I can't ignore that I'm asking them to get confirmation from each of the three CRAs the data has been removed – which requires three entirely separate parties to co-operate – something Cabot will have some control over – but not total control.

Given all of that, I think a period of not more than four weeks from the date we tell Cabot Mr H accepts this final decision is a reasonable time period. In the circumstances, I'd strongly encourage Cabot to start working on this now on the presumption Mr H does accept this decision – as it seems very likely he will – and it'd be disappointing if Cabot didn't pull out all the stops to get this confirmation to Mr and Mrs H as early as possible given everything that's gone on.

In the possibility Cabot can't achieve this deadline, then I'd expect them to proactively explain to Mr and Mrs H what's happening, provide evidence of the delays, along with the steps they're taking to get this issue finally resolved. If Mr and Mrs H then wished to take the matter further because they're not satisfied with Cabot's explanations, then that'd be their choice.

Putting things right

I order Cabot to:

- Remove any incorrect address links for this Mr H
- Remove any incorrect accounts for this Mr H
- Contact the CRAs to confirm this has been done
- Once completed, write to Mr and Mrs H to confirm this long-standing issue has finally been resolved
- The above to be completed within four weeks of the date we tell Cabot Mr H has accepted this final decision - and communicate with Mr and Mrs H if there are delays
- Pay Mr H £800 compensation

My final decision

I uphold this complaint and order Cabot Credit Management Group Limited to carry out the actions in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 October 2024.

Jon Pearce
Ombudsman