

## **complaint**

Mr J complains that Provident Personal Credit Limited chased him for repayment of two loans which had been fraudulently opened in his name. His credit file has been affected and he's been unable to obtain a mortgage.

## **background**

Mr J contacted Provident in February 2016 to tell it he hadn't opened the loan accounts which he was being asked to repay and which were recorded on his credit file as being in default. Following an investigation, Provident concluded that the signature on the loan documents did not match Mr J's signature and that the loans had been set up fraudulently. It said it would arrange to remove the accounts from his credit file and offered to pay him £50 for the inconvenience caused.

Our adjudicator concluded that £250 was a more reasonable amount to compensate Mr J for the trouble and upset he'd been caused. The adjudicator said Mr J was continuing to be troubled by this matter because the defaults were still showing on his credit file.

Provident did not agree. It said Mr J did not bring the loans to its attention until around six years after they'd been set up and that it hadn't seen evidence that the credit file entries had had a significant impact on Mr J.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Provident agrees the loan accounts were set up fraudulently. It seems to me that Provident did not carry out proper checks when the loans were set up because the signatures on the loan forms did not match Mr J's signature.

Mr J was unaware that the loans had been set up in his name. When his application for a mortgage was declined, he realised the defaulted accounts were recorded on his credit file.

Mr J's mortgage broker has confirmed it couldn't source a mortgage for him, because of his credit record. It seems more likely than not that the defaulted loan accounts were the reason any mortgage application would be unsuccessful. Mr J has provided enough evidence for me to conclude that he does not currently have enough living space in his current home and that the delay in obtaining a mortgage on a larger property is upsetting for him and his family.

Provident said it would arrange to remove the loans from Mr J's credit file in March. As at the middle of June the loans were still showing on Mr J's credit file. This continues to affect Mr J and it isn't clear why Provident didn't remove the entries from Mr J's credit file when it said it would. I do not conclude that the £50 offered by Provident is enough to compensate Mr J for the trouble and upset it caused. In the circumstances, I conclude that £300 is fair and reasonable. Provident must now arrange to correct Mr J's credit file without further delay.

**my final decision**

My decision is that I uphold this complaint. Provident Personal Credit Limited should:

1. Arrange to remove the two loan account records from Mr J's credit file immediately.
2. Pay Mr J £300 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 8 August 2016.

Elizabeth Dawes  
**ombudsman**