

complaint

Mr S complains about the way Provident Personal Credit Limited handled his request to remove information on his credit file.

background

Mr S says that he didn't know that a third party had taken loans out in his name, with Provident until he applied for a mortgage in April 2015. Provident wouldn't remove the information recorded on his credit file, even though the third party admitted they had used his name.

After a delay Provident removed the default, but then re-applied information to his credit file. Mr S says that this caused him a lot of stress, as he could have lost the house he was buying; he wants compensation.

Our adjudicator thought the complaint should be upheld. She felt Provident could've started its investigation based on the information Mr S had given about the third party, she also thought that the delay in removing the information and then having information re-applied to his credit file, would have caused Mr S distress. She asked Provident to pay Mr S £100 compensation.

Provident disagreed, it says it followed its internal procedure and completed its investigation within a reasonable timeframe. It says there is no evidence that information was re-applied to Mr S' credit file and it thinks £50 compensation is fair to reflect the delay in removing the credit file entries.

my findings

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

the investigation

Mr S thinks Provident was reluctant to accept that he was a victim of fraud, even though the third party had contacted it, to admit to taking the loans in his name.

I appreciate that Mr S found Provident's investigation process to be frustrating, as he urgently wanted the information removed from his credit file. But, Provident has said that it couldn't just accept a call from someone saying they were the third party, without further confirmation.

Provident says its records show that letters about the loans were sent to both Mr S' address and the third party's, so it followed its internal procedure, asking him to report it to the police and then carried out an investigation.

Whilst I can see why Mr S thinks that the process took longer than it needed to, I don't think Provident was wrong to follow its procedures to establish fraud. I also think that it carried out its investigation within a reasonable length of time.

I don't doubt that Mr S was inconvenienced by taking time off work and making calls to deal with this and was also stressed by the possibility of losing the house. However, I don't think Provident did anything wrong in the way it carried out its internal fraud procedure. So I don't think that it's fair to tell Provident to compensate him for the related distress or inconvenience.

removal of information from Mr S' credit file

Provident accepts it delayed the removal of the entries on Mr S' credit file, it thinks its offer of £50 compensation is fair. Mr S says that information later re-appeared on his credit file, before being deleted. Provident denies this.

I've not seen a copy of the entries re-appearing on Mr S' credit file. However, where evidence is missing, we make decisions based on what we think is likely to have happened, looking at all the available information.

Provident's internal email says that information did re-appear on Mr S' credit file and was deleted again. And I think it is unlikely that Mr S would've contacted Provident after it had removed the entries to say they had re-appeared, if they hadn't.

Provident sent us screenshots of Mr S' credit file updates, which don't show any entries re-appearing. However, the screenshots are undated, so I can't make out when the search took place. Based on what I've seen, I think that it's more likely that the entries did re-appear on Mr S's credit file.

putting things right

I think that Mr S would've been upset to find out that the information remained on his credit file and then later re-appeared; I think that Provident should pay him £150 compensation to reflect this.

my final decision

To resolve the complaint Provident Personal Credit Limited should pay Mr S £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 October 2015.

Karen Dennis-Barry
ombudsman