

complaint

Mr W complains that Provident Personal Credit Limited reported incorrect information about his account to credit reference agencies (CRA). He wants the default removed and compensation.

background

Mr W told us he agreed a partial debt settlement with Provident in January 2018 which should have resulted in the outstanding balance being removed and the account shown as partially settled. But he says Provident continued to report incorrect information showing an outstanding balance still remained. And even after the investigator issued a second view Mr W says the credit file is still incorrect as it shows a balance as being owed throughout the period to August 2018.

Provident told us Mr W had made a payment in January 2018 to partially settle his account. It acknowledged his account should have been updated to reflect this. But it said an error had meant it reported "*sustained arrears*" rather than that the account had been partially settled. It said it had paid £150 compensation for the trouble and upset caused.

The investigator issued two views but didn't recommend the complaint should be upheld. He found Mr W had agreed a partial settlement of a debt with Provident in January 2018. But he said Provident had admitted inaccurate information had been reported and there'd been a delay in correcting this. He recognised the correction had taken too long to put into effect despite repeated calls from Mr W. And that Mr W hadn't always received the promised contact from Provident during that period. But as there was no evidence of *actual* financial loss he felt the £150 compensation paid was fair.

Mr W didn't think all the aspects of his complaint had been considered so he wanted an ombudsman to make the final decision.

my findings

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

I understand why Mr W is concerned that inaccurate information on his credit file would potentially affect future access to credit. And it's important that businesses report accurately the status of an account. And, if an error occurs, that steps are taken to correct it as soon as possible.

In this case the account defaulted in 2014 and it wasn't until January 2018 that a partial settlement was agreed. This should have resulted in the outstanding balance on the account being removed - although the default would still be recorded.

Provident has admitted errors and whilst it has taken action to notify the CRA of the correct information there was a delay in this process. But I've seen evidence that errors on the monthly arrears status codes can't be removed directly by Provident - although they can be updated. And this is what happened in August 2018 - when the account balance finally showed the correct figure (£0).

By notifying the CRA of the errors and then providing the correct information I think Provident has done all it can reasonably be expected to do. It would not be fair and

reasonable to hold it responsible for the manner in which information is recorded by a CRA - provided it has supplied correct information. And the investigator has confirmed that he's been advised that once an account has been defaulted any arrears status notice has no additional adverse effect on a credit rating. It remains open to Mr W to make a separate complaint against a CRA if he believes it is responsible for continuing to record inaccurate information.

The original default occurred in 2014 and partial settlement does not retrospectively alter this. So I'm not going to ask Provident to remove the record of the default itself as this has been correctly reported. And the latest August report accurately records the partial settlement in January 2018.

I've seen information provided by Mr W that he's recently had credit declined - which he puts down to the errors by Provident. But whilst I'm sorry to see Mr W has experienced this disappointment I can't say it's due to any error by Provident. Lending decisions are complex matters and are based on multiple factors. And given his credit file accurately shows the 2014 default - and the later partial settlement - it's just as possible that these factors have influenced that decision.

In summary, I find that whilst Provident has made errors the compensation offered is fair and reasonable. So I shan't be asking it to do anything else.

my final decision

For the reasons given above my final decision is I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 February 2019.

Stephen D. Ross
ombudsman