

complaint

Mr C complains that Provident Personal Credit Limited (the business) recorded information on his credit file relating to three loans that were not his.

background

In July or August 2014, Mr C realised that the business had recorded information on his credit file about three loans which he says he did not take out. He says that he contacted the business and after providing a copy of his passport the business said he was liable for the loans. Mr C involved the police and says they went to the address on the loan applications and found that a person with a very similar name lived at that address and that person confirmed that the loans were his. Mr C said that the police were satisfied that this issue was the result of a mistake and not fraud.

The business initially said that Mr C had taken out the loans. In its letter dated September 2014, it said that it had found another account under Mr C's name which had the same date of birth, national Insurance number, and signature as the disputed accounts. It also said it had found other loans with the business that had the same signature as the ones Mr C was disputing. The business said that the loans were issued by three agents on separate occasions which suggested that if fraud had happened, the fraudster would have had to fool three members of staff. Following information from the police that an incorrect trace had taken place, the business called Mr C and apologised and said that his credit file would be updated. It thought the matter was closed.

Mr C does not accept that the matter is closed. He says he has incurred costs making calls and had to take time off work to resolve this issue. He says that this has caused him inconvenience over a number of months.

The adjudicator found that although the business had issued a timely response to Mr C this was not accurate. She said that it should have been apparent that the borrower was a different person to Mr C as the address was in a different part of the country, the Christian name – while very similar – was not the same as on the loan applications, the mobile number was different and Mr C's signature was different to the signature on the agreements. She said that if a proper investigation had been carried out, the business would have removed the information from Mr C's credit file and Mr C would not have needed to involve the police. She said that she considered £200 compensation was fair and reasonable in recognition of trouble and upset which the failure to fairly consider Mr C's dispute had caused him.

The business does not accept that compensation should be paid. It says it responded quickly to Mr C's complaint. It says that if compensation is required for a mis-trace then this should be discussed with the company it sold the debt to.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As the business said it would remove the information relating to the loans from Mr C's credit file after it received the information from the police, the outstanding issue is whether the

business provided Mr C with the level of service it should have and, if not, whether compensation should be paid.

Mr C has been caused trouble and upset because of being incorrectly linked to these loans. He has received arrears letters from the business and his credit file recorded information about these loans for a period of time. I accept that the business acted promptly to Mr C's complaint but I do find that its letter dated September 2014 included certain comments that then proved to be incorrect, including that the loans were issued by three separate agents.

I also find that weight was not given to the fact that Mr C's address was different to the one on the loan agreements and the name was also different (although similar). And based on the information I have, details in the business' current customer details forms which were completed along with the loans were also different.

Overall, I find that the business should have done more at the outset to investigate Mr C's complaint. Had this happened then it might not have been necessary for Mr C to involve the police. I find that Mr C has incurred costs making calls and been caused trouble and upset dealing with both the business and the police in this matter.

Because of this, I find that the business did not provide Mr C with the service it should have and I find that £200 compensation is fair and reasonable.

my final decision

My final decision is that I uphold this complaint.

I direct Provident Personal Credit Limited to pay Mr C £200 compensation in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 7 April 2015.

Jane Archer
ombudsman