

## **complaint**

Mrs H complains that Morses Club Limited wrongly put adverse entries on her credit file, which were preventing her from getting credit.

## **background**

In January 2016 Mrs H complained to Morses Club about default entries on her credit file. In March Morses Club responded saying that entries for Morses Club and another business were in relation to the same accounts. The entries should have been amended to show they had been sold. It had requested all three credit reference agencies to remove the entries for both Morses Club and the other business (they were duplicates). It was to pay Mrs H £150 in compensation. Mrs H remained dissatisfied as she thought she should have more compensation. She said she was trying to re-mortgage her property. She had lost out on a mortgage three years ago because of the information on her credit file. She had tried again recently to re-mortgage: it would clear arrears on the account and allow her to buy a car to replace one which had been written off. Instead she was having to hire a car at considerable expense. The defaults had been on her file for 5 ½ years and prevented her getting credit.

Our adjudicator did not recommend that the complaint was upheld. He said he did not think he could ask Morses Club to offer more compensation without evidence that Mrs H had been refused a mortgage recently because of the entries. But she had said she could not find a letter from the mortgage company, it wouldn't provide another and she hadn't been able to give details to enable him to seek the information directly. In a later contact with Mrs H we indicated that we would also want to see a copy of her credit record to support her case.

Mrs H asked for her complaint to be considered by an ombudsman, as she still felt more compensation was appropriate.

## **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 haven't seen exactly what the entries in Mrs H's credit record said, but Morses Club clearly thought it appropriate to remove them, and did so. The outstanding issue here is whether Morses Club gave enough compensation.

I can't be sure when the entries were originally made. However if Mrs H thought she had a reasonably good credit record three years ago, but was turned down for a mortgage unexpectedly, I would have expected her to check her credit record then. If there had been an error at that point, matters could have been resolved back then. So I don't think it would be fair now to hold Morses Club responsible for any problems dating back that far.

Clearly Mrs H did check her credit record more recently and did then complain. But, before I could award extra compensation because of the effects of the incorrect entries on her finances more recently, I would have needed documentary evidence about that. As the adjudicator tried to explain, we would have needed something to show that her financial situation would have been significantly better if any incorrect entries by Morses Club had not been there.

We still haven't seen either anything to show why Mrs H's application was turned down, or her credit record. Without those I am afraid I really don't have grounds to say that her problem in getting a new mortgage (or other credit) was the fault of Morses Club. Mortgages aren't as easily available now as they were at some times in the past: possibly Mrs H would have had difficulty in getting a new one anyway. There might have been other issues apparent on her credit record which, even without the incorrect entries, would be likely to make it difficult for her to get a re-mortgage or other credit. And I note that she has mentioned being in arrears with her current mortgage: that too might have caused a problem - if that was the case when she applied for a new mortgage.

So I simply do not have enough evidence to conclude that Mrs H would have been significantly better off if Morses Club had not made incorrect entries on her credit file.

Clearly any incorrect entries should not have been made and Mrs H has been put to the trouble of having to contact Morses Club to get the entries removed. But I think the £150 already paid is fair and reasonable compensation for that.

**my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 5 August 2016.

Hilary Bainbridge  
**ombudsman**