

The complaint

Mr S complains that Capital One (Europe) plc (CO) made an incorrect report to the Credit Reference Agencies (CRAs) which later resulted in him getting a less favourable mortgage offer.

What happened

Our investigator's background summary covered all the relevant facts and issues, and is known to both Mr S and CO, so I won't repeat it. Instead I will focus on the reasons for my decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions reached by the investigator for these reasons:

In 2017 Mr S entered into a Debt Arrangement Scheme (DAS). This is a statutory debt management tool overseen by the Scottish Government. A DAS can't be obtained for those people living in England, Wales or Northern Ireland. For those people the corresponding tool would be a debt management plan (DMP). As Mr S lived in Scotland a DAS was correct in his circumstances.

CO however reported that Mr S had entered into a DMP, and Mr S believes that as a consequence, when he applied for a mortgage, he received a less favourable offer.

Having looked at the evidence I can see that his mortgage advisor initially thought Mr S may have simply entered into a less formal arrangement with CO to manage his debt. I agree that if that had been the case then it would have been a materially different position, and CO's reporting would have been wrong. But a DMP and its Scottish equivalent, the DAS, is essentially the same thing. They are very formal structures governing the management of debt.

So, on this basis the reporting of a DMP, by CO, achieves the same result in that it reports that there was a more formal structure of debt management. Having said that I do accept that Mr S had a DAS not a DMP, and so on the face of it there has been an inaccurate reporting of fact, but that did not adversely affect him since it recorded the correct nature of the arrangement.

But the broader question is what difference would this have made to his mortgage application. Our investigator correctly found that there was other adverse data on Mr S's credit file, and so taking this into account and the fact that the DAS and DMP are essentially the same in nature, I cannot say that CO has incorrectly advised the CRAs or acted unfairly towards Mr S.

For these reasons, although I understand Mr S's frustrations I'm not upholding this complaint.

My final decision

For the reasons set out above I do not uphold the complaint against Capital One (Europe) plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 June 2020.

Jonathan Willis
Ombudsman