

Complaint

This complaint is about a loan Mr P took out through a company called Emergency Cash Limited, trading at the time as wizzcash.com. To keep things simple I'll refer mainly to "wizzcash" throughout this decision.

Mr P says wizzcash hasn't been accurately reporting information about the status of his former borrowing to the credit reference agencies and this has caused him on-going financial difficulties.

Background

We now know that Mr P took out 2 loans from wizzcash with the first one being paid off and the second, in 2013, *not* being paid off. Mr P still owes money on the second loan.

We've already told Mr P that we can't look into the complaint he initially also raised about irresponsible lending as he brought the complaint to us outside the time limits that apply. So I won't be addressing this; I'm only addressing the default reporting matter.

One of our adjudicators has looked into the complaint and said they thought it should be upheld in as much as the way the default is recorded ought to be clarified. Wizzcash didn't respond to this, so I've been asked to make an ombudsman's 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. We've set out our general approach to complaints about short-term lending including all of the relevant rules, guidance and good industry practice, on our website. I've followed this approach when thinking about Mr P's complaint.

Mr P says wizzcash hasn't been accurately reporting information about the status of his loan to the credit reference agencies. He says his credit file shows that wizzcash's reporting has caused it to show he is in continual 'late payments', rather than in being in default, which he says isn't completely accurate. Mr P says all he has ever wanted is for there to be an accurate representation of the current state of his 2013 loan account on his credit file.

It seems to me that this issue is very straightforward and I don't think wizzcash has handled it very well. Matters have been prolonged unnecessarily. So I think it's reasonable that wizzcash rectifies things. And it should make sure it now reports the status of the loan as 'in default with an outstanding balance' (or closely so-worded) as this is a much more accurate reflection of the account at present, rather than as being a continuous monthly late payment matter.

Marking the credit file with a late payment each month suggests, wrongly in my view, that the agreement has recently broken down and this may well be negatively affecting Mr P's financial well-being. Considering the length of time that has now passed, I think a more accurate and fair way to report the loan would be 'default with an outstanding balance'.

Putting things right

In order to put things right for the consumer, wizzcash should:

- Immediately see that it amends / reports Mr P as being in 'default with an outstanding balance' to the relevant credit reference agencies.

My final decision

I uphold Mr P's complaint and I direct Emergency Cash Limited trading as wizzcash.com to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision 16 July 2020.

Michael Campbell
Ombudsman