

The complaint

Mr P complains that Gain Credit LLC, trading as Lending Stream, ("LS"), didn't remove his upheld loans from his credit file when it agreed to provide redress on an irresponsible lending complaint he had made against it.

What happened

Mr P took out 25 short term loans with LS from December 2016 to July 2018. He instructed a claims management company, ("CMC"), to complain on his behalf to LS that these loans were irresponsibly lent. The CMC complained to LS in late November 2019 and asked for interest and charges on the loans to be refunded, for statutory interest to be paid and for any loans confirmed to be mis-sold to be entirely removed from Mr P's credit file.

LS sent the CMC a final response letter via an email dated 17 January 2020 in which LS offered to settle the complaint in relation to Loans 5 to 25 as follows:-

"We'll refund the interest and fees Mr P have paid us for loans 5 to 25

- We'll pay an extra 8% simple interest on this amount*
- We'll withhold 20% of this additional 8% interest amount because Her Majesty's Revenue and Customs (HMRC) told us we must do this*
- We'll check this refund amount (after HMRC withholding) against any outstanding balances Mr P has with us*
- We'll give Mr P a certificate of the tax we have withheld for use in any discussions with HMRC if required*
- We'll remove any adverse marks we have left on Mr P's credit file at the CRA for loans 5 to 25....*

What you need to do

If you're happy with the decision and would like us to refund you, please reply to this email

1 Tell us you accept our decision and would like to receive your refund

2 Tell us where we should send the money"

The CMC responded to LS on 17 January 2020 and said:-

"Thank you for your email and providing your proposal offer. Our client would like to accept your offer as full and final settlement of his complaint".

The CMC's response went on to provide details about the account to which the money should be sent.

Mr P has received the refunded amounts but is unhappy that the upheld loans still remain on his credit file. He told this service that he had assumed that they would be removed. He had made complaints against other lenders about irresponsible lending and the upheld loans had been removed from his credit file. He said that he would have rejected LS's offer if he knew that the upheld loans wouldn't be removed.

The adjudicator didn't recommend that the complaint should be upheld. He said that he hadn't seen anything that showed that LS had said it would remove the loans from Mr P's

credit file. He noted that as part of the proposed settlement, LS said, *'We'll remove any adverse marks we have left on Mr P's credit file at the CRA for loans 5 to 25.'* This was the offer that Mr P accepted. And as he hadn't seen anything to say that LS hadn't amended the credit file as it said it would, he thought that LS had actioned the offer as it said it would.

Mr P disagreed and responded to say that the fact that he was given a full rebate on interest, but the loans were kept on his credit file had no logic whatsoever. He asked for an ombudsman to review his complaint.

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.

The crux of this complaint is the content of the offer that was made by LS to the CMC on Mr P's behalf and accepted by the CMC on his behalf. I have set out in some detail the actual wording of LS's offer contained within its final response letter above. In particular I note that LS's offer expressly says that:-

"We'll remove any adverse marks we have left on Mr P's credit file at the CRA for loans 5 to 25"

I can see that the CMC had asked in its complaint for any loans confirmed to be mis-sold to be entirely removed from Mr P's credit file. So, LS's offer didn't completely provide Mr P with everything he had asked for. But this was the offer that was accepted. And I think LS's offer is clear in referring to the removal of any adverse marks (rather than the removal of the loans) from the credit file.

I've also looked through the information we'd received from LS and I couldn't see anything to suggest that the lender had told Mr P that it would be removing all the loan entries on his credit file for the upheld loans.

I note that LS said that no adverse information had been reported for Loans 5 to 25. So there were no adverse marks for it to remove.

So, I think LS has actioned the terms of its offer and it follows that I don't uphold this complaint.

I appreciate that what I've said is going to disappoint Mr P and I'm sorry to have to do that. But I hope setting out the reasons as I've done will help explain how I've reached my decision.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 January 2021.

Roslyn Rawson
Ombudsman