

The complaint

Mr H complains that London Community Credit Union Limited ("LCCU") have reported inaccurate information to his credit file.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my 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.

I know it will disappoint LCCU, but I agree with the investigator's opinion. Please let me explain why.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The Information Commissioner's Office Principles for the Reporting of Arrears, arrangements and Defaults at Credit Reference Agencies sets out the principles under which information about arrears, arrangements and defaults are filed with the credit reference agencies.

They say that *"data that is reported on (the) credit file must be fair, accurate, consistent, complete and up to date."*

The status of Mr H's account has been amended on a few occasions. It was shown as closed, then open with an outstanding balance and then as closed with Mr H in a payment arrangement. LCCU hasn't provided evidence of why it reported this information. There's been no evidence of a payment arrangement being entered into and as the amount owed was defaulted in 2012 I wouldn't expect it to be showing on Mr H's credit file now.

I'm persuaded, on the balance of information provided, that Mr H didn't enter into a payment arrangement with LCCU and I can see no reason why the account would be registered as closed, open and then closed again.

Putting things right

I can understand that this inaccurate and inconsistent reporting would have been distressing

to Mr H. I've read his account of the impact it had on him and, in the circumstances, I think LCCU should pay him £150 compensation in respect of the distress and inconvenience caused.

They should also remove any adverse reports they have made to the credit reference agencies in respect of this issue.

My final decision

For the reasons I've given above I uphold this complaint and tell London Community Credit Union Limited to:

- remove any adverse reports they have made to the credit reference agencies in respect of this issue;
- pay Mr H £150 to compensate him for the distress and inconvenience he's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 June 2021.

Phillip McMahon
Ombudsman