

The complaint

Mr W is unhappy that NewDay Ltd, trading as Aqua, continued to report adverse information to his credit file after they'd sold his account to a third party, such that the same account was reported to his credit file twice.

What happened

Mr W entered into a payment plan with Aqua and the details of this payment plan were reported to Mr W's credit file. Sometime later, Aqua sold Mr W's account to a third party.

At that time, Aqua should have stopped making reports to the credit reference agencies – as the continuing reports were to be made by the third party to whom the account had been transferred. However, Mr W discovered that Aqua had continued to report the ongoing payment plan to his credit file, such that it was being reported twice – by both Aqua and the third party. Mr W wasn't happy about this, so he made a complaint.

Aqua looked at Mr W's complaint. They acknowledged that they had continued to make reports to the credit reference agencies after they should have stopped doing so, and they arranged for Mr W's credit file to be corrected and offered Mr W £20 by way of compensation for any inconvenience incurred.

Mr W didn't feel that Aqua's response went far enough, so he referred his complaint to this service. One of our investigators looked at this complaint. During our investigator's review, Aqua increased their offer of compensation to Mr W by a further £100, to a total of £120.

Our investigator felt that this offer from Aqua, as well as the corrective action to Mr W's credit file that Aqua had already undertaken, represented a fair and reasonable outcome to what had happened. So, they didn't uphold Mr W's complaint.

Mr W remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

In circumstances such as this, where a business has acknowledged that they've made an error, what this service would expect would be that the business would take the corrective steps necessary to rectify the error and, if appropriate, make an offer to the customer to fairly compensate them for any inconvenience or distress incurred.

I think that Aqua have done that here. They've already corrected the historical reporting on Mr W's credit file so that the account in question isn't showing as being reported twice. Additionally, they've made an offer to pay Mr W £120 as compensation for any trouble and upset he may have incurred.

Matters of compensation can be subjective, with an offer considered fair and reasonable by one party not being considered as such by another party. However, while I'm aware that Mr W may disagree with me, the offer of £120 that Aqua have already made does feel fair to me, and I can confirm that it's commensurate with what this service would expect, given the circumstances here.

I'm aware that Mr W feels that he was declined for a mortgage solely because this account was reported twice on his credit file. I can understand how this would be upsetting for Mr W. But there are many reasons why a mortgage application might be declined, and I'm not convinced that the issue at hand can be considered as being the sole reason in this instance.

It must be noted that this service did ask Mr W to provide some form of proof that the mortgage had been declined solely because of the duplicated reporting on Mr W's credit file - potentially in the form of a declaration from the mortgage provider. But Mr W didn't provide such proof. And I don't feel that it would be reasonable to consider Aqua as being responsible for the mortgage not being approved when no proof to that effect has been provided.

So, considering all the information here, I'm satisfied that Aqua's response to Mr W's complaint - including the corrective action taken on Mr W's credit file and the current offer of £120 compensation - does represent a fair and reasonable outcome to this complaint.

I appreciate that this won't be the outcome that Mr W was wanting here, but it follows that I won't be upholding this complaint or instructing Aqua to take any further action at this time. I hope that Mr W will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 August 2021.

Paul Cooper
Ombudsman