

The complaint

Miss W complains that Target Servicing Limited is reporting incorrect data about her loan to credit reference agencies.

What happened

Target Servicing Limited ("Target") is administering a debt owed by Miss W on behalf of a business I'll call 'C'.

Miss W has been paying reduced payments to a loan for a number of years through a debt management plan. Since February 2020, Target has been reporting to the credit reference agencies that Miss W is in arrears on this debt. Miss W's credit file shows entries of '6' which in effect means the debt is being classed as being six months in arrears.

Miss W complained to Target and said that an ombudsman at this service who investigated her previous complaint set out that their reporting wasn't correct or fair and that they should report the debt as being in an arrangement to pay. Target didn't agree and said that they were reporting the data correctly.

Our investigator didn't uphold the complaint. She said that Target hadn't made any errors in the way they had reported the debt to the credit reference agencies.

Miss W didn't agree and referred to the decision from the ombudsman on her previous case, which she felt made clear that Target were not reporting the data correctly. Miss W said that this was having a serious impact on her financial situation, which included her bank reducing her overdraft limit.

Miss W asked for an ombudsman to review her 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.

I realise this will disappoint Miss W but I do not find that Target has made any errors or acted unfairly in how it's reporting this debt to the credit reference agencies. I'll explain why.

It's not disputed that Miss W is making reduced payments against this debt and has been doing so for some time. I understand also that Miss W has been, and as far as I am aware still is, in a debt management plan.

I've looked at the screenshots that Miss W sent to us of her credit file. These show that Target has been reporting arrears on this debt since February 2020, and that the entries are showing as '6' for each month. The screenshots also show that Miss W is in a debt management plan.

Target has an obligation to ensure that they are reporting data for Miss W that is fair, accurate, consistent, complete and up to date. As far as I can see, Target is reporting that

Miss W is in a debt management plan and that she is in arrears on her loan. I can't say that this isn't an accurate representation of the status of this debt. Although the arrears are being continually recorded each month, this is because Miss W is making significantly reduced payments towards this debt and has been for some time. This will clearly have a negative impact on her credit file as she is not making the required contractual payments of the loan.

I realise that the situation continuing as it has done will likely affect Miss W's financial situation. I would remind Target that they, and C, should bear in mind that there comes a point when vastly reduced payments towards the debt won't be appropriate bearing in mind the impact on Miss W's credit file and the length of time this will affect her.

However, as I am only considering how Target have been reporting this debt, and because I find that no error has been made or that Target hasn't acted unfairly, I won't be upholding Miss W's complaint.

Finally, I've considered Miss W's comments about the final decision issued by one of our ombudsmen on her previous case. The ombudsmen directed that Target '*ensure Miss W's credit reports reflect fairly any payments she has made since January 2020*'. He didn't direct Target to specifically report this information in a particular way, only that they do so fairly. I am satisfied for the reasons I've given above that Target has been doing this.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 27 May 2022.

Daniel Picken
Ombudsman