

The complaint

Mr E complains that NewDay Ltd trading as Marbles didn't give him information about his account which led to adverse information being registered on his credit file.

What happened

Mr E says he was in financial difficulties and agreed a repayment plan with Marbles. He says Marbles didn't tell him that the account would close if the minimum payments were not made and that adverse information would be registered on his credit file. Mr E says had he been given that information then he could have made arrangements to make the payments and avoid the impact on his credit file. He would like this adverse information removed.

Marbles accepts it didn't specifically tell Mr E that his account would be closed if minimum payments were not met when he called it. But it says it told Mr E he could make additional payments if he wished and agreed a repayment plan with him of £9 a month which it says was the most its calculations said he could afford. Marbles says it sent required default letters and acted in line with agreed terms and conditions by closing the account and reporting that to the Credit Reference Agencies (CRA's). It has paid £120 compensation for the lack of clear information when Mr E called.

Mr E brought his complaint to us and our investigator accepted Marbles ought to have been clearer in the information it gave him. The investigator thought Marbles told Mr E to ignore important letters and so recommended it pay a further £80 compensation as there were two calls in which clearer information could have been given. The investigator didn't think Marbles made a mistake by closing the account and thought it acted in line with account terms and conditions by doing so or that the outcome would have been different even if Marbles had been clearer.

Mr E says he could have made greater repayments if he knew what would happen and Marbles says the compensation paid is appropriate.

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.

Having done so I have come to a similar overall view to that of the investigator and for similar reasons.

There is no dispute here that Marbles ought to have given Mr E far more clear information than it did and shouldn't have told him to ignore important regulatory letters. I have no doubt Mr E was caused inconvenience and distress in finding out what had taken place. And that he would have spent some time on two telephone calls to Marbles about this issue. I accept that Marbles could have answered some of Mr E's concerns during that second call but didn't do so. I appreciate Marbles has paid £120 compensation, but I agree with the investigator that amount doesn't fairly reflect the impact on Mr E. And I think Marbles should increase that award to a total of £200 which I think is fair and reasonable.

I appreciate Mr E would like the adverse information removed from his credit file. But I'm satisfied that it was made clear in the account terms and conditions and in various letters that Mr E's credit file could be affected. And that it ought to have been reasonably obvious that any repayment plan or failure to keep to such a plan would have an impact on a credit file. I don't think Mr E could have avoided any adverse information being registered on his credit file in these circumstances and can see he accepts he was in financial difficulties. For those reasons I can't fairly order Marbles to remove any adverse information from Mr E's credit file and think it is obliged to accurately report its customers account positions to the CRA's.

Putting things right

Overall, I intend to order Marbles to increase its compensation award to £200 but can't fairly order it to amend Mr E's credit file.

My final decision

My final decision is that I uphold this complaint in part and order NewDay Ltd trading as Marbles to pay Mr E a further £80 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 3 November 2021.

David Singh
Ombudsman