

The complaint

Ms H is unhappy that Lloyds Bank PLC didn't amend her credit file as they'd agreed to.

What happened

Ms H previously brought a complaint to this service about a Lloyds personal loan which resulted in Lloyds agreeing to amend the date of a default for that loan account to September 2013, meaning that from October 2013 onwards the default would no longer be present on Ms H's credit file. However, in 2020, Ms H noticed that a default was showing on her credit file relating to the Lloyds loan account. Ms H wasn't happy about this, so she raised a complaint with this service.

One of our investigators looked at this complaint and liaised with both Ms H and Lloyds about what had happened. Lloyds explained that they had amended the default as per the agreement reached on the previous complaint. Our investigator felt that Lloyds had been able to demonstrate this point satisfactorily, and they noted that Lloyds had sold the loan account debt to a third-party debt purchasing company in December 2019, and as such hadn't been responsible for any reporting that might have taken place following that date in regard to that loan account. So, they didn't uphold Ms H's complaint.

Ms wasn't satisfied with the view put forwards by our investigator, 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.

I can appreciate how it must have been frustrating for Ms H to have discovered that a default was being reported on her credit file in relation to this loan account in 2020. But Lloyds have been able to demonstrate that they did amend the reporting of the default in line with what they agreed at the time of the previous complaint.

Additionally, the credit file summary screenshots that Ms H has provided show that the default was applied in 2020, which was after the time that Lloyds had sold the account debt to the third-party debt purchasing company. As such, it seems most likely, on the balance of the information available, that it wasn't Lloyds who were responsible for reporting the default to Ms H's credit file in 2020.

I'm aware that Ms H feels that Lloyds sold her account to the debt purchasing company without notifying her that such a sale of debt was taking place. However, given that Ms H last made a payment to her loan account in 2014, it seems reasonable to me that Lloyds would sell the outstanding debt to a third-party debt purchasing company, and I note that a businesses right to sell an outstanding debt in such circumstances is a common feature of personal loan agreements. I also note that Ms H has confirmed that she was contacted by the third-party debt purchasing company, and so was aware that the debt had been sold to them, regardless of whether she received notice of this fact from Lloyds or not.

Ms H has also questioned whether there was a balance outstanding on the loan account. However, it's clear from the loan repayment history that Lloyds have provided that there was a balance that remained outstanding on the account, and that the balance that Lloyds sold to the debt-purchasing company was the correct outstanding balance.

It's notable that Ms H, in her correspondence with this service, has raised complaint points that have already been considered and addressed in the prior complaint that has already been considered by this service. I must confirm therefore that I'm unable to reconsider these aspects of Ms H's complaint, and that this complaint is only in consideration of events that have taken place since the time that the previous complaint was dealt with – such as Ms H noticing that the default had been reapplied to her credit file in 2020.

Finally, it's also notable that in her correspondence with this service, Ms H has made various references to acts of law. However, this service isn't a Court of Law, and doesn't operate as one. Rather, the remit of this service is to make an informal assessment of whether a fair outcome is considered to have occurred or not. And, as mentioned previously, I'm satisfied that Lloyds have been able to successfully demonstrate that they did amend the default as per the agreement reached at the time of the previous complaint, and that they didn't reapply the default to Ms H's credit file in 2020 as Ms H believes.

All of which means that I find it difficult to conclude that Lloyds have acted unfairly towards Ms H here, and it follows from this that I won't be upholding this complaint or instructing Lloyds to take any further action at this time.

I realise this won't be the outcome Ms H was wanting, but I hope that she'll understand, given all that 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 Ms H to accept or reject my decision before 28 March 2022.

Paul Cooper
Ombudsman