

## **The complaint**

Mr M complains Lloyds Bank PLC is reporting adverse information about him unfairly and that incorrect information is being displayed on his online banking.

## **What happened**

Mr M has a credit card issued by Lloyds Bank and he uses its online banking too.

In 2018 Mr M started complaining that the information displayed on his online banking about his credit card – including, for example, his balance and the amount of credit he still had – wasn't always correct. He sent evidence of this.

In November 2019 Mr M complained to Lloyds Bank saying that it had reported the fact that he'd gone over his credit limit when this wasn't the case. Mr M was unhappy that this meant inaccurate adverse information was appearing on his credit file. Lloyds Bank investigated and agreed that it had reported inaccurate information and said it would arrange for amendments to be made.

In February 2020 Mr M complained to Lloyds Bank again saying that inaccurate adverse information was still appearing on his credit file. Lloyds Bank looked into why and, having done so, said that Mr M had in fact gone over his limit so it wouldn't be right to make the amendments. Mr M complained to us.

One of our investigators looked into Mr M's complaint and agreed that Lloyds Bank hadn't acted fairly because the evidence Mr M had supplied had showed that his online banking suggested he had available credit and his payment history showed that he'd managed his card – based on that information – to stay within his limit. So, it wasn't fair for Lloyds Bank to report the fact that he'd gone over his limit even though he had in fact done so. Both parties agreed with our investigator's ultimate recommendations which were that Lloyds Bank should remove any adverse entries reported to the credit reference agencies, freeze any interest charges and refund any interest already charged for the period October 2019 until the adverse entries were removed and pay compensation. Mr M has had to come back to us several times since then to say Lloyds Bank has not done what it has said it would. A new investigator has looked at his complaint again – and the delays – and recommended further compensation. Lloyds Bank accepted our new investigator's recommendations. Mr M didn't. He wanted an ombudsman to look at his complaint and asked for £1,000 in compensation, amongst other things. So, that's what I've done.

## **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.

No-one is disputing anymore that it was unfair of Lloyds Bank to report the fact that Mr M went over his limit in November 2019 because his online banking was displaying incorrect information and he'd been making payments and managing his card in a way that would have made sure he stayed within his limit. Nor is anyone disputing the fact that Lloyds Bank

has agreed to get the adverse information removed and has failed to do so several times despite saying that it had made the necessary amendments. Lloyds Bank, however, says that it has made all the necessary amendments and that his credit file has been fully updated since 13 July 2021. That's disputed by Mr M who has sent in evidence that an organisation is still reporting the fact that he went over his limit. I accept Mr M's evidence – throughout this complaint he's provided detailed and comprehensive evidence of the issues he's had. I also, however, accept that the organisation in question isn't one that Lloyds Bank has a relationship with and that it doesn't report information to them. We've said to Mr M that he'll need to complain to the organisation in question, and I agree that's the right approach.

Our investigator recommended that Lloyds Bank should remove any adverse entries reported to the credit reference agencies, freeze any interest charges and refund any interest already charged for the period October 2019 until the adverse entries were removed and pay compensation. I agree with those recommendations, although I do want to talk about the amount of compensation we've recommended. I'm satisfied based on the information I've seen that Lloyds Bank has removed the adverse information that it reported – by amending it – and that it did so by 13 July 2021. Lloyds Bank agreed to freeze any interest charges and refund any interest charged until the adverse entries were removed. I'm satisfied based on the information that I've seen that Lloyds Bank has done this too. So, the only issue I have to decide is whether or not the compensation our new investigator has recommended is fair.

I can see that Mr M has been complaining to Lloyds Bank since 2018 about incorrect information being displayed on his online banking. He also started to complain about adverse information on his credit file in November 2019. He's been told by Lloyds Bank several times that it will fix the problem and that the problem has been fixed, only to discover that this isn't the case. He's come back to us several times as a result – each time providing us with detailed evidence showing that Lloyds Bank hadn't done what it had said it would. I can see when he originally complained that he had a particularly low credit score – which has now improved significantly – and agree with the original investigator that this was more likely than not down to the information Lloyds Bank reported. So whilst I can't say, for example, that Mr M definitely had a problem getting a mobile phone because of the information Lloyds Bank unfairly reported, I do accept that Mr M has been caused a lot of inconvenience throughout this time, and that this must have been an incredibly frustrating experience for him. He's had to live with a credit file that wasn't accurate for over a year and a half despite repeated promises that it had been fixed amongst other things. To date we've recommended Lloyds Bank pay £335 in compensation in total for distress and inconvenience in addition to the other steps we've told Lloyds Bank to take. Mr M would like £1,000 and has explained why he thinks that award would be more appropriate.

### **Putting things right**

Taking everything into account, I consider an overall award of £500 to be fair. So that's the award I'm going to make – Lloyds Bank should pay Mr M £500 in compensation less the compensation amounts it's already paid in full and final settlement of this complaint. That's in addition to the interest it agreed to refund – and that it's told us it has refunded – and the amendments to Mr M's credit file. Lloyds Bank has already paid the £335 compensation we'd previously recommended, meaning Lloyds Bank will have to pay an additional £165.

### **My final decision**

My final decision is that I require Lloyds Bank PLC to pay Mr M £500 in compensation – less any compensation payments it has already made – in full and final settlement of his complaint. That's in addition to the interest it agreed to refund – and that it's told us it has refunded – and the amendments to Mr M's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 March 2022.

Nicolas Atkinson  
**Ombudsman**