

The complaint

Mr F has complained that Capquest Debt Recovery Limited didn't pass on his final payment to the creditor.

What happened

Capquest were collecting a debt on behalf of a bank. In October 2020, Mr F paid off the debt in full. However, Capquest had an error on their end and didn't pass the payment on to the creditor until November 2021. This negatively affected Mr F's credit file in the meantime.

Our investigator looked into things independently and upheld the complaint. They proposed that Capquest give Mr F a letter explaining what happened so he could provide this for any future queries, and pay him £350 compensation.

Capquest didn't agree. They felt they should pay Mr F £300 compensation. So the complaint's been passed to me to decide.

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'm glad to see that Mr F's payment has now been passed on. As I understand, the lender will backdate things on Mr F's credit file now, if they've not done so already.

However, this situation was caused by Capquest's error, and it took them over a year to sort things out. This is despite the fact that the lending bank even chased them about this. They were also late in responding to Mr F's complaint, too. In the meantime, this had a negative impact on Mr F's credit file, and caused him considerable trouble, stress, and worry, all over a very significant timeframe.

Taking into account our guidelines for compensation amounts, I agree with our investigator that £350 is fair to put things right here – more so than the £300 Capquest have suggested.

I also agree that Capquest should provide Mr F with a letter in case he gets any further queries about this account, and in case this makes a difference with any lender who may have turned him down in the meantime.

Putting things right

I direct Capquest Debt Recovery Limited to:

- Follow up with the creditor to make sure they're aware that Mr F's settlement date should be backdated to October 2020;
- Provide Mr F with a letter explaining that this account was fully settled in October 2020 and was not marked as such only due to Capquest's error; and-
- Pay Mr F £350 compensation in total.

My final decision

For the reasons I've explained, I uphold Mr F's complaint, and direct Capquest Debt Recovery Limited to put things right in the way I set out above.

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

Adam Charles
Ombudsman