

The complaint

Mr U complains about the information recorded by Lowell Financial Ltd on his credit file.

What happened

Lowell bought a debt in Mr U's name from another business and wrote to him to confirm the outstanding balance and new arrangements. The balance was around £450 at the time. Mr U made payments of £1 a month until 2020 when they were increased. Mr U repaid the balance in full in May 2021 and Lowell sent him a letter that confirmed the debt would be marked as satisfied on his credit file within six weeks.

But the debt wasn't marked as settled within six weeks and Mr U complained. Mr U has explained he applied for a mortgage and it was declined. Lowell apologised for the delay in updating Mr U's credit file to show the debt was settled and offered him £100. But Lowell said the arrears information recorded in terms of the payments Mr U made was correct so didn't amend it.

Mr U referred his complaint to us and it was passed to an investigator. They thought Lowell had dealt with Mr U's complaint fairly and didn't ask it to do anything else. Mr U asked to appeal and said the arrears information should be removed because it came about due to events outside of his control. As Mr U asked to appeal, his complaint has been passed to me to make a 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.

Lowell accepts there was a mistake which meant it didn't update Mr U's credit file to mark the debt as repaid within the six week period agreed. Lowell has apologised and Mr U has provided a screen shot from his credit file that shows the debt is now shown as settled with the credit reference agencies.

In response to the investigator, Mr U said the accounts are still showing as delinquent. I can see that one of the credit reference agencies has classified the account as "delinquent" but the other two haven't. And I can also see Lowell updated all three credit reference agencies to show the debt as settled in May 2021 which is correct. Lowell doesn't control how credit reference agencies report the status of a debt beyond supplying the payment and balance data and confirming if the account has been repaid. Mr U can check with the credit reference agencies if he feels the status of the account has been misreported. But I'm satisfied Lowell has reported the account as settled.

Mr U has also explained that the debt and his payment record came about due to events that were outside of his control. I'm not going to repeat what Mr U has told us about his circumstances during the period Lowell acquired his account. But I understand the debt came about as a result of financial difficulties as Mr U has said. However, Lowell has to accurately report how an account has been handled to the credit reference agencies. And

that includes where payments are either not made at all or only partially made. In Mr U's case, he made payments of £1 a month for several years and later cleared the debt. As a result, that meant Mr U's account was in arrears for an extended period, which is shown on his credit file. As that accurately reflects the payment history for the account, I'm satisfied Lowell hasn't made a mistake.

A mortgage application for Mr U was declined in October 2021 due to his credit score. But by this point, Lowell had updated the account to show as settled. And, as I've said above, I'm satisfied the rest of the information it reported was accurate. I'm sorry to disappoint Mr U but I haven't found that his mortgage application was declined due to an error by Lowell.

Lowell has offered Mr U £100 to apologise for the delay in marking his account as settled on his credit file. I'm satisfied that offer reflects the impact of the delay and is fair in all the circumstances. As I'm satisfied Lowell has dealt with Mr U's case fairly, I'm not telling it to take any further action. If Lowell hasn't paid the £100 compensation it offered and he wishes to accept, Mr U is welcome to contact the investigator who can arrange settlement on his behalf.

My final decision

My decision is that I don't uphold this complaint because Lowell Financial Ltd has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 March 2022.

Marco Manente
Ombudsman