

The complaint

X complains that Clydesdale Financial Services Limited, trading as Barclays Partner Finance ("BPF") caused him significant distress and inconvenience when they reported inaccurate information about him to the credit reference agencies.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my reasons for my 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 know it will disappoint X, but I agree with the investigator's opinion.

BPF agree that they provided inaccurate information to the credit reference agencies and they've offered £500 to compensate X for the distress and inconvenience that error caused.

X doesn't think that's sufficient. He's explained that he was rejected for a mortgage because the credit file was wrong and that he therefore missed out on the property he wanted to buy. He also explained that property prices had increased and that he'd now have to pay more for a similar property. He said he'd paid an arrangement fee to the mortgage company that would not be returned to him, and that he'd missed out on the stamp duty holiday that closed shortly after his mortgage offer was rejected. He's also upset that he'll now have to make further lengthy trips to find another property and he's explained that he's spent in excess of 30 hours dealing with the issue that he wanted compensating for.

I can understand X's frustration here particularly as BPF failed to acknowledge their error initially. I accept that it's likely the mortgage application wasn't approved because of the mistaken information that had been recorded on X's credit file and I therefore think it would be fair for BPF to refund the arrangement fee of £125.

I don't think it would be fair to suggest the reason X didn't buy the house was because of the failed mortgage application. There could have been other reasons why a sale proved unsuccessful, for example, if there was adverse information reported in the survey, or if the seller pulled out. So, I don't think it would be fair to tell BPF to compensate X for the loss of the house. I'm also not persuaded to ask BPF to compensate for any increased costs associated with the closure of the stamp duty holiday, the buoyant housing market, or additional travel costs. That's because there's no guarantee the house sale would have completed, and X may then have been subject to stamp duty and/or inflated prices and additional trips, anyway.

I can understand that it would have taken a long time for X to resolve this matter with BPF and that in the meantime he would have been concerned about the impact the erroneous entry was having on his credit file. I don't think it would be fair to suggest BPF should refund

X at his hourly work rate, for the hours he spent on calls and writing letters. X wasn't working in his professional role when he was making those queries and it's only in that professional role that I could fairly say he attracts the hourly rate. It's not this service's usual practice to reimburse based on an hourly rate. Instead we look at the total distress and inconvenience that has been caused. Our approach to this is set out on our website and having considered the circumstances of X's complaint I'm persuaded that £500 is sufficient compensation here.

Putting things right

I'm asking BPF to pay X £500 in addition to the £100 they have already paid him. They'll also need to refund the mortgage arrangement fee and ensure entries to X's credit file are accurate.

My final decision

For the reasons I've given above I uphold this complaint and tell Clydesdale Financial Services Limited to:

- Ensure any address links to the incorrect address (listed in the investigator's view of 20 January 2022 but omitted here to ensure confidentiality of this published decision) are removed from X's credit file with all credit reference agencies that BPF report to.
- Pay a further £500 compensation, on top of the £100 already paid – if the initial £100 cheque wasn't cashed the business should pay £600 in total.
- Pay X £125 to cover the arrangement fee that he paid to his mortgage provider.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 7 October 2022.

Phillip McMahon
Ombudsman