

The complaint

Miss B complains that NRAM Limited ("NRAM") said it would change the date of the default it had recorded on her credit file in relation to her unsecured loan account but didn't do so.

What happened

Miss B had a joint mortgage with her ex-husband. Along with the joint mortgage they also borrowed money as an unsecured Together Loan. The Together Loan was 'stapled' to the mortgage.

Miss B separated from her ex-husband, and sometime later she tried to get another mortgage. It was declined. At this point she realised that NRAM had reported a default on her credit file in relation to the Together Loan.

Miss B complained to NRAM about the default and other issues in 2016. NRAM upheld parts of her complaint and offered her £1,000 compensation in a final response letter dated 10 February 2016. However, NRAM didn't accept it had made a mistake when it recorded the default on Miss B's credit file. It said the default had been reported correctly, so it wouldn't remove it.

Miss B complained about the matter again in mid-2020. She says she looked at her credit file after she'd been declined credit and saw that the default had been reported in December 2015. As repayments towards the loan had stopped around August 2014 she asked NRAM to amend the default date to August 2014.

In September 2020 NRAM agreed to change the date of the default to August 2014. It did this as a gesture of goodwill after Miss B told it about the impact the default was having on her. On 22 September 2020 NRAM wrote to Miss B to tell her this. It said that it would take up to six weeks for the change to be made.

Miss B complained to us in November 2020. She said NRAM shouldn't have applied the default to her credit file in the first place and told us about the impact of the default on her finances and her health. In a separate decision I said that the Financial Ombudsman didn't have the legal power to consider that complaint as she had complained to us out of time. So that issue hasn't been considered by us.

In November 2020 Miss B also told us that NRAM hadn't changed the default date in the six-week timeframe it had set out in September 2020. Miss B said she'd spoken NRAM on the phone and wasn't sure if NRAM was still planning on making the change. She says that initially it had told her that there weren't any notes on her account to say it had agreed to change the default date. Later it said it might have a problem changing the date of default.

By the time our investigator considered Miss B's complaint the default wasn't recorded on Miss B's credit file any longer. That's because NRAM had changed the date of default to August 2014 and more than six years had passed since then. However, Miss B didn't think the time NRAM had taken to change the default date was reasonable given the impact of the default on her. She also complained that NRAM agent she spoke to on the phone was rude.

NRAM accepted there'd been a delay changing the date of the default. It wrote to Miss B in November 2020 offering her a £150 compensation. In that letter NRAM acknowledged that its delay had meant that she'd had to complain again, and that on one occasion it hadn't phoned her back as promised. It also told us that on one occasion when Miss B had called for an update, there was a bad telephone line. That meant Miss B had to repeat herself when she was being asked security questions.

Our investigator thought NRAM had acted fairly when it said it would amend the default date as a gesture of goodwill. He didn't think NRAM acted unreasonably when it had said it would take six weeks for that change to take effect. He said that NRAM wasn't required to change the default date on Miss B's credit file, and it had done so after it had considered how the change would help Miss B.

However, our investigator thought that NRAM should have done better after it had agreed to change the date of the default. It took more than six weeks for the change to be made. That caused Miss B to phone NRAM on 4 November 2020 to find out when the change would be made. The NRAM agent Miss B spoke to said that someone would phone her back the next time to let her know when the change would be made. But NRAM didn't call her back.

On 6 November Miss B phoned NRAM again. Our investigator said it appeared that NRAM had located Miss B's file by then, but there had been an issue changing the default date. NRAM told Miss B there had been a problem. It said it would try to resolve the problem and would then call her back. On 9 November 2020 NRAM did this, saying that everything had been resolved and that the default would be amended that week.

Our investigator thought NRAM should've amended her credit file in the six-week period it had specified. So he understood why she was unhappy to find out it hadn't. He said it would have been clear to NRAM that the situation had caused Miss B a lot of stress. So it should have phoned Miss B back when it promised to do so. He thought NRAM did the right thing when it was honest that it was experiencing difficulties changing the default date for her as it had promised. He noted that NRAM had accepted it could've done better and offered Miss B £150 compensation - £100 as an apology for not amending the default date when it said it would and £50 for not phoning her back as promised. He thought that amount was a fair and reasonable in the circumstances.

Our investigator also considered whether NRAM's delay caused Miss B a financial loss. Miss B had told us she'd paid subscription fees to get reports from the credit reference agencies ("CRAs") so she could keep track of when NRAM updated her credit file.

Our investigator said he understood Miss B's position. However, Miss B had told us that she'd paid to enter into subscriptions with the different CRAs before NRAM had agreed to change the default date as a gesture of goodwill. So he didn't think it would be fair for us to require NRAM to reimburse her for these subscriptions. Our investigator was also conscious that Miss B could get the relevant information without subscribing to CRA services.

Finally our investigator considered Miss B's complaint that an NRAM agent had been rude to her. He said he'd been provided a transcript for the conversation between NRAM and Miss B, where she ended the call as she was unhappy with the service she was getting. Our investigator said the transcript made it clear that the NRAM agent couldn't hear Miss B properly on that phone call. So the agent had asked Miss B to repeat herself a few times. He understood why Miss B had been frustrated by that, but he didn't think that NRAM had acted unreasonably on this occasion. So he didn't think that it would be fair and reasonable for NRAM to be required to compensate her for that.

Miss B remained unhappy. She asked for her complaint was reviewed by an ombudsman.

She said that she was unwell and didn't understand everything our investigator said. Our investigator tried to contact Miss B after this on a number of occasions to discuss her concerns, but unfortunately Miss B didn't respond.

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.

Having done so I agree with the conclusion our investigator has reached, for the same reasons. I'll explain why.

The issue I need to decide is whether NRAM should pay Miss B more than the £150 it has offered to compensate her for its actions after it agreed to amend the default date recorded on Miss B's credit file.

There's no dispute that NRAM failed to amend the default date in the six-week timeframe it had set out in its 22 September 2020 final response. Nor is there any dispute that NRAM's delay caused Miss B distress and inconvenience. That's evident from the number of times Miss B contacted NRAM from 4 November 2020 to find out when the change would be made, and the fact that when she spoke to NRAM at this time she said she'd been checking her credit file every day to see if the change had been made. I'm also conscious that NRAM was aware of the ongoing impact of the default on Miss B. That's why it agreed to amend the default date in September 2020.

However, it's clear that NRAM amended the date of default promptly after Miss B contacted it in November 2020. NRAM has been open about the fact that this didn't happen immediately because of problems it had locating Miss B's file and making the amendment. I appreciate how frustrating these problems were for Miss B, but it wouldn't be appropriate for me to punish NRAM for those problems.

In the circumstances, I think the £100 NRAM offered Miss B for its delay amending the default date is fair and reasonable. I also think the £50 NRAM offered Miss B for not phoning her back as promised is fair and reasonable given the nature of NRAM's mistake and the time Miss B was affected. I'm conscious that she was able to speak to NRAM on the phone after this.

Putting things right

To resolve this complaint NRAM should pay Miss B the £150 it has offered to pay Miss B to resolve this complaint.

My final decision

My final decision is that NRAM Limited should pay Miss B the £150 it has offered Miss B to resolve this complaint unless it has already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 8 April 2022.

Laura Forster
Ombudsman