

## **The complaint**

Mrs B complains about Creation Consumer Finance Ltd's handling of her Catalogue Shopping Account.

## **What happened**

The details of the complaint are well known to both parties, so I won't repeat them in detail here. The following is a summary of the events that led to this complaint.

- Mrs B said she had made payments to her account on time. But she discovered around April 2020 that missed payments were incorrectly being reported to credit agencies.
- Mrs B said she wanted to pay off the balance on her account. But because of the issues, she had been provided an incorrect remaining balance and was worried that would affect her ability to apply for any further credit elsewhere
- Mrs B has also raised issues regarding Creation not updating her account to her married name.
- Creation said Mrs B had missed a payment in April 2020 by paying late, so the reporting of a late payment for that month was correct.
- Creation did however acknowledge two payments made by Mrs B in April 2020, took nearly a month to be allocated correctly in its system. So, it would remove any negative reporting after April 2020 from Mrs B's credit file.
- Mrs B was unhappy with Creation's response, so she brought her complaint to our service

Our Investigator said he had seen sufficient information to persuade him a payment was missed in April 2020. So, Creation had been fair to report this to credit reference agencies.

He said that around October 2020, Creation had told its internal credit team to remove any negative reporting for May 2020. But this meant the payments had been incorrectly reported up until this time – which he had seen in credit reports provided by Mrs B.

Our investigator said he wasn't persuaded the issues had affected Mrs B's ability to apply for further credit. But he did think it had caused Mrs B distress. He also said he'd seen Mrs B had raised the issues regarding her name with Creation several times, but this had not been actioned. He recommended Creation pay Mrs B £100 for the inconvenience.

Creation and Mrs B accepted our investigator's recommendation.

## *Further developments*

Mrs B later returned to our service as she said the missed payment for May 2020 was still showing on her credit report.

Our Investigator said Mrs B has provided copies of Credit Reports from two different agencies that show the missed payment for May 2020 was still showing as recently as June

2021. So, he was persuaded that while Creation had instructed their credit team to remove the missed payment, it hadn't been actioned.

Our investigator recommended Creation pay Mrs B a further £100 compensation for the distress and inconvenience caused to Mrs B.

Creation didn't respond to our investigator. So, the complaint has now passed to me.

### **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 conclusions reached by the investigator for these reasons:

- Its not in dispute that a payment was made late in April 2020. Financial organisations have an obligation report a true representation of an account. So I don't think Creation have acted unreasonably in reporting this to credit agencies.
- However, Creation accepted a further payment for May 2020 should not have been reported. But I've seen a copy of Mrs B's credit report from two different reporting agencies, that shows the incorrect payment was still being reported in June 2021 – around a year after the initial issue.
- I've not seen sufficient evidence to persuade me this one missed payment alone would affect Mrs B's ability to obtain credit. But I do think it would have caused ongoing concern that it remained on her credit file incorrectly, particularly after our service's involvement and Creation's reassurance it would be removed
- I've not seen any evidence to show the payment has been amended to date, but for avoidance of doubt, Creation should do as it said it would do in October 2020 and remove the incorrectly reported missed payment from May 2020 from Mrs B's credit report if it has not already done so
- With the above in mind I agree with our investigator that Creation should pay Mrs B a further £100 compensation, taking the total award to £200. I think this is within a reasonable range to recognise the distress and inconvenience Mrs B has been caused.

### **Putting things right**

To put things right, I direct Creation to:

- Pay Mrs B £200 compensation
- Ensure all adverse credit information regarding the May 2020 missed payment is removed from Mrs B's credit report

### **My final decision**

My final decision is that I uphold Mrs B's complaint.

I direct Creation Consumer Finance Ltd to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 13 April 2022.

Michael Baronti  
**Ombudsman**