

The complaint

Mr M complains that Creation Consumer Finance Ltd incorrectly reported a loan as active on his credit file.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mr M had an account with Creation and settled the outstanding balance in April 2017. Mr M says he first contacted Creation to ensure his account was reported as settled and closed in 2019. The account continued to be reported as active on Mr M's credit file despite his requests.

In June 2020 Creation sent Mr M an email that confirmed the account had closed in April 2019 and that the status should be reflected on his credit file.

Mr M went on to refer his complaint to this service and it was passed to an investigator. They initially upheld Mr M's complaint and asked Creation to ensure his credit file accurately reflected the status of his account and pay him £100 for the distress and inconvenience caused. Creation and Mr M both agreed, but he later found the account was still being reported as active on his credit file.

Creation later explained that whilst Mr M had cleared the balance in 2017 the account remained open and available for him to use. The investigator issued another set of findings and asked Creation to take steps to ensure the account was reflected as closed and settled on Mr M's credit file. They also asked Creation to pay another £100, taking the total award to £200.

Mr M checked his credit file and said Creation had failed to correctly update it. Mr M asked to appeal, so his complaint has been passed to me to make a decision.

What I've provisionally 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've been brief in setting out the background above as all parties broadly agree about the overall timeline. Mr M's told us he's been asking Creation to fix the errors on his credit file since 2019. And he's forwarded emails with Creation from June 2020 which specifically say his account was closed in April 2019 and the credit reference agencies updated. So I can understand Mr M's frustration that despite repeated attempts to get Creation to correct the account information on his credit file, it failed to do so.

Creation told Mr M his account had been closed. But more recently, it's explained to us that the account remained open and available for use. I'm satisfied Mr M has made his wish to ensure the account is closed very clear over a period of around three years. And I agree

with Mr M that the way his requests have been handled has caused him a considerable level of inconvenience over a sustained period.

I need to decide how to fairly resolve Mr M's complaint. Creation says Mr M's account is now closed on its systems and that's reflected on his credit file. Mr M has advised he's yet to see evidence the amendments have been made. There's often some lag in updating credit reference agencies. But I intend to tell Creation to ensure it correctly updates Mr M's credit file as part of my final decision. If Mr M accepts, that will become legally binding on Creation. I hope that brings closure to the matter.

I know our investigator increased the award to £200 but I'm not persuaded that reflects the longstanding nature of Mr M's requests. And I don't think it reflects the level of distress and inconvenience caused to Mr M either. So I also intend to tell Creation to pay Mr M a total of £400 for the dis view, that's a fairer way to resolve Mr M's complaint.

I invited both parties to respond with any further comments or information they wanted me to consider before I made my final decision. Mr M responded and said he wanted the account to be noted as settled and closed on his credit file. Mr M also said he didn't agree that £400 was fair compensation and wanted a fine to be imposed on Creation.

Creation didn't give us new information to consider.

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.

Mr M responded to say he wanted Creation to amend his credit file to reflect the account as closed and settled. As I noted in the provisional decision, if Mr M accepts, Creation will amend his credit file to show the account as closed and settled from April 2017.

Mr M's told us he doesn't think the compensation of £400 is fair. I understand the issue has been ongoing for a long time and agree that Creation missed opportunities to resolve the situation. I'd like to assure Mr M I've read and considered everything he's told us, including how the issues raised impacted him. Having done so again, I remain of the view that £400 fairly reflects the impact of the issues raised on Mr M. I'm sorry to disappoint Mr M but I haven't been persuaded to increase the level of compensation awarded.

The Financial Ombudsman Service isn't the industry regulator (that's the Financial Conduct Authority) and he have no powers to fine or punish a business. Our awards focus on how to fairly resolve a complaint for the consumer. In this case, I remain of the view that updating Mr M's credit file and paying him £400 is a fair way to resolve his complaint.

My final decision

My decision is that I uphold Mr M's complaint and direct Creation Consumer Finance Ltd to settle as follows:

- Ensure Mr M's credit file is updated to show his account was settled and closed in April 2017
- Pay Mr M a total of £400 for the distress and inconvenience caused (less any compensation already paid)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 2 December 2022.

Marco Manente
Ombudsman