

## **The complaint**

Mrs H complains about how Ikano Bank AB (publ) dealt with her loan account.

## **What happened**

Mrs H says she was given misleading and incorrect information from Ikano about her loan. She says as a result her credit file was affected, and two late payments were incorrectly recorded on it which reduced her credit score. Mrs H says she made a number of telephone calls to Ikano about the problems and has been caused significant distress and inconvenience as a result of what took place. She would like an apology and between £1,000 and £1,500 compensation and says the late payment markers were still on her credit file some seven months after the mistake despite Ikano agreeing to remove them.

Ikano accepts it made a number of mistakes and has apologised. It accepts giving Mrs H incorrect information and unnecessarily writing to her. Ikano says it will remove the late payment markers and has offered £50 compensation.

Mrs H brought her complaint to us and our investigator upheld it. The investigator thought the last payment Mrs H made of £22.46 should be refunded and recommended Ikano pay £200 compensation for the impact its mistakes had on Mrs H. He also recommended all adverse information be removed from Mrs H's credit file.

Ikano has agreed with the investigator's view and accepts it didn't remove the late payment markers from Mrs H's credit file when it said it would.

Mrs H doesn't accept that view and says the reduced credit score has affected her ability to re-finance.

## **My provisional decision**

I issued a provisional decision about this complaint and said as follows.

I came to the provisional view that Ikano should pay a total of £350 compensation, which includes the last payment of just over £22 it agreed to refund, for the reasons I would explain.

I said there is no need for me to repeat in detail what took place here as there was no real issue that Ikano made a number of mistakes and recorded incorrect information on Mrs H's credit file.

I had no doubt Mrs H was caused distress and inconvenience and could see she made a number of telephone calls to Ikano about the issues. I was satisfied that the main impact of those mistakes was on Mrs H's credit file. I was satisfied that having looked at extracts from Mrs H's credit file that it clear her credit score was significantly reduced due to the incorrect recording of the late payments. I had no reasons to doubt that the credit score reduction would have had an impact on Mrs H's ability to take out new credit or refinance existing credit.

I was satisfied that Ikano fairly said in early 2022 it would remove the late payment markers from Mrs H's credit file. But I was also satisfied that it didn't do so, and the adverse information remained on Mrs H's credit file for at least between four to six months longer. I had no doubt Mrs H was caused further frustration by that delay and was impacted by it.

I said the main issue for me to consider was the level of compensation. And I was satisfied that this was a complaint that took a significant time period to sort out and any adverse information recorded incorrectly on a credit file for many months has a significant impact. For those reasons I considered that the mistakes here would have caused considerable distress to Mrs H and for an extended time period of many months. I was satisfied that Ikano should pay a total of £350 compensation which I thought was fair and reasonable and included the payment of just over £22 it has already agreed to refund. I said that award is in line with the type and amount of awards we would make for this type of complaint and impact. I said Ikano should also, if it has not done so, remove the late payment markers from Mrs H's credit file.

Ikano has agreed to pay a total of £350 compensation and says the late payments were removed from Mrs H's credit file in May 2022.

Mrs H hasn't replied to my provisional 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.

Having done so I have come to the same overall decision I reached in my provisional decision and for the same reasons.

### **Putting things right**

Ikano should pay the £350 it has agreed to do. There is no need for me to order that any adverse information be removed from Mrs H's credit file as it has now been removed.

### **My final decision**

My final decision is that I uphold this complaint and order Ikano Bank AB (publ) to pay Mrs H a total of £350 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 7 February 2023.

David Singh  
**Ombudsman**