

The complaint

Mr H complains Marsh Finance Ltd (“Marsh Finance”) have made incorrect entries on his credit file.

What happened

Mr H took out a hire purchase agreement with Marsh Finance in August 2012 to acquire a used car. Mr H said the agreement was voluntarily terminated in 2015.

In 2021, Mr H said he accessed his credit report and found that Marsh Finance had made an entry to show the account was settled in March 2021. Mr H believed this was wrong and that it should have shown as settled in 2015.

Mr H complained to Marsh Finance and they upheld his complaint. They apologised for the error, and they said they completed the necessary amendments to his credit file to show the account as closed and settled in March 2015.

In February 2022, Mr H checked his credit file again and noticed a further entry stating the account was settled in January 2022. Mr H again believed this was wrong.

Mr H contacted Marsh Finance again and referred his complaint to our service. While the complaint was with us, Marsh Finance replied to Mr H, upholding his complaint again and explained they requested the necessary amendment to his credit file.

Marsh Finance provided our service with copies of three emails from around March 2022 to different credit reference agencies. The emails showed they contacted the credit reference agencies and requested for Mr H’s file to show the relevant account as being closed and settled on 20 March 2015. It also showed the credit reference agency responses.

Mr H said Marsh Finance made another entry on his credit file in April 2022 and it showed the account as being settled in April 2018.

Mr H also said that Marsh Finance had reported an outdated address of his which he felt may have caused issues for some lenders. He said this caused issues when applying for a credit card.

Our investigator found that Marsh Finance needed to do more to put things right. He said, in summary, that he hadn’t seen enough to make him think Marsh Finance had reported information correctly nor corrected it. Our investigator asked Marsh Finance to contact the credit reference agencies again to have the account entry updated and pay £150 compensation to Mr H to resolve this complaint.

Both Marsh Finance and Mr H agreed with the investigator’s outcome.

Mr H later contacted our service and confirmed the £150 compensation had been paid to him, but the entry still remained on his credit file.

Our investigator contacted Marsh Finance and they responded confirming the amendments were completed when the original request was sent through. They also provided us a screenshot of their internal system which they said showed the amendments they made and that they were backdated. On the screenshot provided, the “satisfied date” of the account was recorded as 27 April 2018.

Our investigator brought this to Marsh Finance’s attention and asked them if there is any information to show that they requested to change the satisfied date of the finance agreement to 20 March 2015, after they agreed to his initial view.

Marsh Finance didn’t respond. Mr H has since shown a copy of his credit file. It had recorded the end date for the account as April 2018, and it showed it was last updated in March 2023.

The complaint was passed to me to decide.

I issued a provisional decision on 30 March 2023 where I explained why I intended to uphold Mr H’s complaint. In that decision I said:

“Mr H believes that incorrect information has been recorded on his credit file by Marsh Finance in relation to a regulated credit agreement. So I’m satisfied this is a complaint we can look into.

Ultimately, what I need to consider here is whether there is incorrect information recorded on Mr H’s credit file, and if there is, whether Marsh Finance are responsible for it being recorded incorrectly. If I make a finding that Marsh Finance are responsible, then I need to consider what they must do to put things right for Mr H.

It isn’t in dispute that Mr H’s account he held with Marsh Finance should be recorded as being settled in March 2015.

Marsh Finance has sent two final responses to Mr H, where they’ve upheld his complaint with them and said they have made the necessary amendments to his credit file. Marsh Finance also agreed with our investigator’s outcome. So, I’m satisfied Marsh Finance believe they were responsible for the incorrect information previously reported. However, from their most recent correspondence with our service, they also think they have reported the necessary amendments already. They have provided our service with a screenshot which they believe shows the amendments made.

Having reviewed the information provided, it shows the “satisfied date” as 27 April 2018. Our investigator brought this to Marsh Finance’s attention, and it was disappointing that they didn’t directly provide comments on it.

I accept that Marsh Finance had contacted the relevant credit reference agencies around March 2022 and had requested for the correct information to be reported around the settlement date. But I can’t see since then, and more importantly, after they had accepted our investigator’s findings, that they had contacted the agencies again to correct any erroneous information.

I am unfamiliar with Marsh Finance’s internal systems. But, it seems to be a very large coincidence that it has recorded on its internal systems the same incorrect date that is appearing on Mr H’s credit record.

Given the information they have provided suggests their records still display the incorrect settlement date, I’m persuaded it is likely Marsh Finance need to do more in this instance.

I can't direct Marsh Finance to update its system, as I don't know how this works or if this is possible. But I do think it should do a review of this information and amend if possible or if required. If this isn't possible, or it doesn't believe this could be causing the issue, it should explain this before I issue my final decision.

Our investigator said Mr M should be paid £150 to reflect what's happened.

Thinking about what has happened since Marsh Finance agreed to the investigator's view, I'm considering increasing the amount of compensation for distress and inconvenience. I say this because Mr H has shared with our service the distress and anxiety this issue has caused him for over a year. Mr H has explained how he checks his credit report frequently in the hope that it is all sorted. He has also told our service how often this issue plays on his mind. I'm persuaded by what he has told us, given how focussed he has been about getting things sorted. And I'm persuaded that Marsh Finance's repeated errors – requiring reasonable effort for Mr H to try and sort out – has resulted in some distress to Mr H. I think it is fair and reasonable for Marsh Finance to pay Mr H £300, in total, for the distress and inconvenience caused here.

Mr H has also told our service how he believes the address reported by Marsh Finance is outdated. If Mr H would like further clarity on this aspect, I suggest he contacts Marsh Finance directly as this wasn't part of his initial complaint."

I set out that I intended to uphold this complaint. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to the provisional decision

Marsh Finance didn't respond before the deadline I set.

Mr H responded and said he accepted 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.

As Marsh Finance didn't respond in time and Mr H accepts my provisional decision, I see no reason to depart from it.

In summary, I think Marsh Finance needs to do more in this instance.

My final decision

For the reasons I've explained, I uphold this complaint and instruct Marsh Finance Ltd to:

- Ensure Mr H's credit file shows accurate information in relation to his account he held with them* **
- pay £300 compensation for the distress and inconvenience caused. Marsh Finance Ltd may deduct from this any compensation they have already paid in relation to this complaint.

*To be clear, this means it should reflect that the account was settled on 20 March 2015.

** This should include contacting credit reference agencies, as well as reviewing and/or amending the information on its internal systems as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 May 2023.

Ronesh Amin
Ombudsman