

The complaint

Mr S complains that Gain Credit LLC trading as Lending Stream made an error when it didn't remove adverse information from his credit file when it should have.

What happened

The adjudicator set out a very detailed background to this complaint, those facts aren't in dispute by either party and so I don't intend to repeat them here. The key facts of the case to highlight are that Lending Stream accepts it lent loans to Mr S when it shouldn't have, and it offered to put things right.

Lending Stream's offer to put things right included removing adverse information about the upheld loans from Mr S' credit file. Lending Stream accepts it made an error and has offered £100 to Mr S by way of compensation.

When our adjudicator looked at the complaint, she thought Lending Stream's error caused Mr S to suffer distress and inconvenience and recommended that Lending Stream pays Mr S a total of £200 in compensation. Lending Stream agreed but Mr S didn't

Mr S said Lending Stream had the opportunity to put things right sooner and it has cost him a lot of time pursuing Lending Stream. He suggests £1,000 would be fair compensation in the circumstances.

As the complaint hasn't been resolved, it has been passed to me for a 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.

It is not in dispute that Lending Stream made an error, the question here is what would be the fair and reasonable way to make things right for Mr S in the circumstances.

Mr S initially said he'd been declined a mortgage and has had to pay higher interest rates due to the adverse information showing on his credit file. Looking at all the information, I agree with the adjudicator that the evidence doesn't show that the presence of the adverse information is the only reason Mr S' mortgage application was declined. I also haven't seen any evidence that shows Mr S paying higher interest rates solely because of Lending Stream's error.

I understand Mr S has spent some time making his complaint and trying to get Lending Stream to see its error and correct it. I'm also mindful that when Mr S initially raised the issue with Lending Stream in July 2021, Lending Stream responded to him within two days asking him for more information. The evidence shows Mr S didn't respond to Lending Stream or raise the issue again until June 2022, nearly a year after. I think given the significance of the issue here to Mr S, it would have been reasonable to expect him to respond to Lending Stream sooner than he did.

When Mr S raised the issue again with Lending Stream in June 2022, this time Mr S provided some proof of the adverse information on his credit file, Lending Stream didn't act to correct it until March 2023, and it was only when Mr S brought his complaint to this service that Lending Stream offered some compensation.

I understand Mr S' point on the time he's spent on the issue, and I have no doubt such adverse information caused him a degree of distress and inconvenience. On the other hand, I'd have expected him to follow up with Lending Stream sooner than he did after he raised the issue in July 2021.

I think it'll also have been reasonable for Lending Stream to have reacted sooner than it did after Mr S provided evidence of the adverse information on his credit file.

While I appreciate Mr S wants significantly more, the evidence doesn't lead me to conclude that £1,000 would be appropriate in the circumstances. There is a degree of inconvenience attached to making a complaint and I think £200 is fair reflecting the fact Lending Stream should have acted sooner.

Putting things right

Lending Stream should pay Mr S a total of £200 for the distress and inconvenience its mistake caused.

My final decision

For the reasons given above, I uphold Mr S' complaint and direct Gain Credit LLC trading as Lending Stream to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 June 2023.

Oyetola Oduola
Ombudsman