

## **The complaint**

Miss C complains that Bank of Scotland plc failed to update her credit file as agreed.

## **What happened**

Miss C says Bank of Scotland (BoS) failed to remove late payment markers from her credit file as agreed. She says she tried to pay a small balance on her account but was unable to do so and that BoS agreed to remove the late payment markers in December 2021. Miss C says in December 2022 she applied for a mortgage which was refused and found out the late payment markers hadn't been removed. She would like over £5,000 compensation.

BoS has apologised for the mistake and paid £75 compensation. It says it correctly recorded late payment markers earlier on in 2021 but accepts it should have removed the later markers from Miss C's credit file sooner than it did.

Miss C brought her complaint to us, and our investigator thought BoS should increase its compensation award to a total of £300. The investigator thought it possible the late payment markers correctly recorded on Miss C's credit file may have affected the mortgage application in any event and that the incorrect markers may have been removed before the application.

Miss C and BoS accepted that view.

Miss C says she has now made a new mortgage application which was approved which must provide evidence that it was BoS's mistake that was the issue. She would like the compensation amount increased.

## **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 overall view that BoS should pay £300 compensation in total which I think it's fairly agreed to pay or has already paid.

There is no dispute here that BoS ought to have removed late payment markers from Miss C's credit file as it agreed to do. I have no doubt Miss C was caused distress and inconvenience when she realised in late 2022 that the markers hadn't been removed at the correct time as agreed. I accept that Miss C would have spent some time trying to resolve matters.

The only real issue for me to decide is the compensation amount as there is no dispute that the late payment markers have now been removed. I can't be sure that the late payment markers that ought to have been removed were the reason Miss C's mortgage application was refused. I am sure Miss C appreciates that lenders look at a variety of factors when assessing such applications and I think it likely that the late payment markers that were correctly applied may have impacted on the application in any event. I appreciate Miss C has

provided evidence of a mortgage approval but can't fairly conclude that was approved due to some late payment markers being removed when others are likely to be still recorded on Miss C's credit file.

It follows that I can't fairly conclude that BoS's mistake led to the mortgage refusal. And in any event, I don't think the amount Miss C's seeks in compensation of over £5,000 is fair or reasonable. I also agree with the investigator that whilst there was a delay in BoS removing the late payment markers that they may in any event have been removed in the early part of 2022 sometime before the mortgage application.

I'm satisfied that BoS should pay £300 compensation and think that amount fairly reflects what took place and what I consider the fairly limited impact on Miss C. I don't think the mistake justifies further compensation or that BoS should pay for Miss C's council tax payments as she suggests. I'm also satisfied that award is in line with type and amount of awards we would normally make for this type of mistake and impact.

### **Putting things right**

BoS should pay Miss C a further £225 compensation if it has not done so already.

### **My final decision**

My final decision is that I uphold this complaint in part and order Bank of Scotland plc to pay Miss C a total of £300 compensation. Miss C's acceptance of this decision would be in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 16 September 2023.

David Singh  
**Ombudsman**