

The complaint

Mr M has complained about the way Sky UK Limited is reporting a fixed sum loan agreement on his credit file.

What happened

Mr M entered into a fixed sum loan agreement with Sky in October 2022 to purchase a device. Mr M noticed the loan was showing as a telecommunications account on his credit file. He thinks this is causing a negative impact on his credit score which has meant he's been unable to obtain credit at a preferential rate.

After receiving a complaint from Mr M, Sky responded to say it was satisfied with the way it reported the credit agreement. Mr M didn't agree, so he referred his complaint to our service to consider. Sky said that as the credit could only be used to purchase a device it wouldn't amend the information.

One of our investigators looked into things and said the agreement was a fixed sum loan and not a telecommunications agreement. So he said Sky should report it as a loan agreement. Mr M accepted the recommendations. But highlighted he'd lost out as a result of the error through higher interest rates when taking out credit. Our investigator said he'd not seen evidence there'd been a negative impact on Mr M's credit file or that the reporting had caused any detriment. So he didn't make any recommendations for that part of the complaint. Mr M accepted what our investigator said but reiterated he could have obtained a better interest rate.

Sky said it was working through a resolution with one of the credit reference agencies. But we've not received an update since. As things couldn't be resolved the complaint has been passed to me to decide.

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 has complained about the way Sky is reporting a fixed sum loan on his credit file. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to these sorts of agreements.

As a starting point, I agree that, in the particular circumstances of Mr M's case, the fixed sum loan agreement should be reported to the credit reference agencies as a loan. I don't think it matters whether it is restricted credit or not. It's a credit agreement, and not a telecommunications account. Sky is required to report accurate information to the credit reference agencies, so I think it needs to amend what it's reporting. And it should do this in a timely manner.

I've also thought about what Mr M said in relation to losing out on a better rate when borrowing as a result of Sky's reporting. While I can understand why he's concerned, like our

investigator pointed out, I've not seen enough to show that the way Sky reported the agreement has directly caused a financial loss for him. So I don't have the grounds to direct Sky to reimburse Mr M for extra interest he says he's lost out on.

My final decision

My final decision is that I uphold this complaint and direct Sky UK Limited to amend the reporting on Mr M's fixed sum loan agreement with the credit reference agencies from a telecommunications account to a loan agreement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 October 2023.

Simon Wingfield
Ombudsman