

The complaint

Mr W complains that NewDay Ltd trading as Aqua registered a Q marker on his credit file.

What happened

Mr W says that Aqua had added a Q marker to his credit file. He says Aqua asked for a letter from a credit reference agency (CRA), which he provided to them, but they hadn't considered the information from them. He says Aqua didn't believe the Q marker had an impact on his score, but the CRA confirmed there had been an impact. He said Aqua told him they removed the marker, which was incorrect, but it has since been removed. Mr W complained to Aqua.

Aqua partially upheld Mr W's complaint. They said when they receive a complaint from one of their customers they apply a block to their account which indicates to the CRA's they have a complaint with them. They said this is the process they follow for all of their customers who have an active complaint, and the block remains on the account until the complaint has been fully investigated and closed. Aqua said this should not have any impact on his credit score, but they have no control over his credit score or how this is interpreted as this was at the discretion of the CRA's. They said it is most common that they may report this as a query marker or financial dispute on his credit file.

Aqua said that if Mr W felt his credit score had dropped significantly solely due to having a complaint with them then he would need to contact the CRA to dispute this with them. They said due to his concern they have not reapplied the block when his complaint was reopened. Aqua said in order to review his concerns further, they needed a letter or email from the CRA (or similar company) explicitly stating that since 6 December 2022, Aqua's actions have caused them to reapply the query marker or financial dispute to his credit file and Aqua's actions alone have caused a drop in his credit score. Aqua acknowledged that Mr W made multiple calls, experienced long wait times and his credit file concerns should have been addressed earlier. He also didn't get a call back from a manager. So Aqua credited a further £110 to his account for the poor customer service.

Mr W sent Aqua an email from one of the CRA's which said the Q marker had a negative impact on his score. Aqua thanked him for his patience while they reviewed his comments but said they had reached the end of their complaints handling process and as such can't continue to correspond on this issue. Mr W brought his complaint to our service.

Our investigator partially upheld Mr W's complaint. He said that Aqua had agreed to remove the block when they reopened Mr W's complaint, but they reapplied this when he brought the same complaint to our service, so he didn't think this was fair. He suggested Aqua pay Mr W an extra £100 compensation for this. Mr W asked for an ombudsman to review his complaint.

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.

Firstly, I'm aware that I've only summarised Mr W's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I must explain to Mr W that complaint handling by a business isn't a regulated activity and as such, the issues he's raised that relate directly to how Aqua have investigated his complaint, such as when they decide their complaints procedure is exhausted does not come under my powers to consider.

I'd like to explain to Mr W that it is not within this service's remit to tell a business how to run their processes or procedures such as how they should indicate on an account that a complaint has been raised. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Aqua to make changes to their policies and procedures, if necessary.

It's important to note that Aqua aren't as such registering the Q marker themselves. As they explained to Mr W in their final response letter, they apply a block to an account which indicates that they have a complaint with Aqua. They said they have no control over how CRA's would interpret this as this is at the discretion of the CRA's. As the evidence I've been provided with from Mr W shows one of the CRA's is marking his credit file with them with a Q marker, but Aqua have provided us information with a different CRA who are reporting the same block with a U marker. So it does appear that the block on the account is being interpreted differently by different CRA's.

A marker of Q or U would be a neutral marker – and I know Mr W will strongly dispute this. It is not a negative marker such as a 1 marker (or higher number), which would indicate missed/late payments. But although it is a neutral marker, it can be interpreted differently by different lenders and CRA's. In this instance, Mr W has provided evidence from one of the CRA's that they have interpreted this as a negative marker. This email also contains the wording *"It is likely that a history which demonstrates repayments made on time will be more positive than a history that shows that some monthly repayments are being queried"*. The wording is clear that it is likely – not it is certain. So it would be out of Aqua's control with how this CRA is reporting the block on his account and how they view a marker such as this.

I've considered what Mr W has said about Aqua ignoring this email from the CRA. But I'm not persuaded they did. I say this because on 2 January 2023 when they issued his final response letter, they asked him to provide evidence from a company who provides a credit report to them which explicitly states *"since 6 December 2022, our actions have caused them to re-apply the 'query marker' or 'financial dispute' to your credit file and our actions alone, have caused the drop in your credit score."* But the email from the CRA does not state Aqua's actions had caused the CRA to re-apply the query marker. And it doesn't confirm wording that Aqua's actions alone had caused a drop in his credit score. On 10 January 2023, they told him they *"reviewed his comments further"*, but he was at the end of their complaints handling process.

Aqua had also looked at another screenshot Mr W provided them regarding an *"account status changed"*. They said the screenshot was not confirming that they reported any arrears on his account, but they were simply giving an example of what a change in account status could be caused by. I have looked at this screenshot and I'm satisfied the third party were

just showing an example of what an account status change could be. It does not state that Aqua had reported arrears in a previous month.

Aqua have acknowledged that they let Mr W down with their customer service. They said Mr W made multiple calls, experienced long wait times and his credit file concerns should have been addressed earlier. He also didn't get a call back from a manager. Aqua paid him a further £110 for this which I'm satisfied is fair and recognises there was an impact on Mr W.

But Aqua have let Mr W down further than the aforementioned customer service issues. I say this because the final response letter issued on 2 January 2023 said "*Due to your concerns, we have not reapplied this block when your complaint was reopened on 15 December 2022*". So I'm not persuaded that based on this statement from Aqua that they should have placed the block back on his account when he brought the same complaint to our service, especially when they had made an exception not to do this when his complaint was reopened with them previously. And as stated by Aqua, they were aware of his concerns. So reapplying the block on his account, would cause Mr W distress. And in the unique circumstances of this complaint, it was not proportionate for them to do so. So I'm persuaded that Aqua should pay Mr W a further £100 compensation for the distress they caused him when they told him they would not reapply the block when his complaint was reopened.

Putting things right

Our investigator suggested that Aqua pay Mr W a further £100 compensation for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint in part. NewDay Ltd trading as Aqua should pay Mr W a further £100 compensation for distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 August 2023.

Gregory Sloanes
Ombudsman