

## **The complaint**

Mr A complains that Clydesdale Financial Services Limited (trading as Barclays Partner finance, BPF) blacklisted him and reported adverse information to the credit reference agencies.

## **What happened**

Mr A entered into a fixed sum loan agreement with BPF in April 2019 to finance an item acquired from a retailer. The agreement was due to end in December 2020. In April 2023, Mr A complained to BPF as he had been told by the retailer that his account had been closed incorrectly. He contacted BPF about this.

BPF said that in November 2020 the direct debit payment was cancelled by Mr A and so the November payment wasn't received until 4 December 2020. There was then no payment made for the December instalment. It says that when Mr A contacted it about his account being closed incorrectly it explained that he had been provided with incorrect advice from the retailer and that a payment had been outstanding since December 2020. However, it acknowledged that there appeared to be no contact made with Mr A about the arrears and because of this error it arranged to waive the remaining balance of £56.45 and update Mr A's credit file to show the account as settled from December 2020.

Following the resolution offered by BPF, Mr A contacted it again to say he had been negatively impacted when attempting to get credit for a hire car and other items. BPF asked for evidence to show the detriment to him to assess whether further compensation was required, but this wasn't provided.

Mr A referred his complaint to this service saying that he had been blacklisted for several years and denied credit.

Our investigator upheld this complaint. She noted the action BPF had taken in response to its error but said that Mr A should be paid compensation for the distress and inconvenience he had experienced by his credit file being impacted and the affect this had on him. She recommended that BPF pay Mr A £150.

Mr A didn't accept our investigator's view. He said that the compensation recommended wasn't sufficient given the adverse impact that this issue had on his credit score. He said this issue affected his ability to make essential purchases, and there were instances when he attempted to buy products or services and was declined due to a negative credit history. He says he was ashamed and worried about rejection.

BPF responded to our investigator's view asking what evidence Mr A had provided that he had been denied credit.

## **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.

I can understand why Mr A is upset that his credit file was affected due to the issues with his repayments. But for me to uphold this complaint I would need to be satisfied that BPF had done something wrong or treated Mr A unfairly. And, if this had happened, that it hasn't done enough to put this right.

Mr A entered into a fixed sum loan agreement in April 2019 with monthly payments due until December 2020. I have looked through his account statement and can see that his monthly payments were made by direct debit up to November 2020. The November 2020 payment was returned unpaid and BPF has said that the direct debit had been cancelled. The notes provided by BPF show that it attempted to contact Mr A at this time, and I can see that the payment was then made on 4 December 2020 by debit card. As Mr A made the payment due on November 2020 by debit card, I find it reasonable to accept that he was aware the November payment had been missed and so he corrected this. As the November payment was made late, in the event this was recorded on his credit file I do not find I can say that this would have been incorrect.

Mr A didn't then make the payment due in December 2020. He has explained that he had believed his account had been closed by the retailer but as his agreement set out the payment terms, I cannot say that BPF did anything wrong at this time by recording the missed payment and arrears on Mr A's credit file.

However, the contact notes provided by BPF do not show that any contact was made with Mr A in regard to the missing payment and on the call between Mr A and BPF in April 2023, it is confirmed that BPF didn't follow up on the missed payment and it accepted this was its error.

When a mistake is made, we would expect the business to put the customer back in the position they would have been had the mistake not occurred. In this case, when BPF was made aware of the issues in regard to Mr A's account and that it hadn't contacted him about the arrears, it agreed to clear the outstanding balance and remove any adverse information from Mr A's credit file from December 2020 and to record his account as settled. I find that this put Mr A back in the position he would have been had he been notified at the time and been able to correct the missed payment (as well as him benefitting from the removal of the final payment amount).

The outstanding issue relates to the distress and upset Mr A was caused by negative information being recorded on his credit file from December 2020 until he made BPF aware of the issue in April 2023. I have listened to the calls between Mr A and BPF when this is discussed and also read his comments about the impact this had on him. I note that BPF asked for evidence of Mr A being declined other credit (and that the reason was the information it had recorded on his credit file) but Mr A has explained that he only had conversations where he was requesting credit but being declined. He wasn't aware why this was happening as he has said he had always maintained his payments and had little debt. Mr A has provided a copy of his credit score which supports this. So, while I accept Mr A hasn't been able to provide evidence of the declined credit, noting the information he has provided, I find it reasonable in this case to accept his testimony that when requesting credit he was refused and that this caused him embarrassment and distress and because of this I think he should be paid compensation.

Mr A doesn't think the £150 recommended by our investigator is sufficient given the upset he has been caused. While I understand this, without further evidence to show a financial loss, and based on his testimony, I do not find I can say a higher amount should be paid. Therefore I agree with our investigator's recommendation that BPF pay Mr A £150

compensation for the distress and embarrassment he has been caused

### **Putting things right**

Clydesdale Financial Services Limited should pay Mr A £150 compensation for the stress and embarrassment he was caused by the issues arising from his credit file.

### **My final decision**

My final decision is that Clydesdale Financial Services Limited should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 February 2024.

Jane Archer  
**Ombudsman**