

The complaint

Mrs W complains that Capquest Debt Recovery Limited is recording arrears on her credit file in relation to an account it no longer owns.

What happened

Capquest was the owner of a debt in Mrs W's name that was being administered by a business I'll refer to as N. Mrs W has previously complained to N that arrears information has been unfairly recorded about the account on her credit file.

On 17 May 2023 Capquest sent Mrs W a Notice of Assignment advising the debt had been sold to a business I'll refer to as A. In addition, A also sent Mrs W a Notice of Assignment to confirm the new arrangements. A's letter advised it was now responsible for recording information about the account on Mrs W's credit file.

Mrs W's explained that despite the account being sold to A, Capquest continues to record it on her credit file. In addition, the account is being recorded as in arrears which have increased month on month. Despite raising her concerns and a complaint, the information hasn't been removed by Capquest so Mrs W referred her concerns to the Financial Ombudsman Service.

An investigator at this service looked at Mrs W's complaint and upheld it. They said Capquest should immediately remove the incorrectly recorded information from Mrs W's credit file and ensure it reflects that it no longer owns Mrs W's account. The investigator also awarded £400 for the distress and inconvenience caused to Mrs W.

Initially, Capquest responded to say it is responsible for the administration of Mrs W's account and reporting information on her credit file. Capquest said Mrs W was paying less than the agreed amount which was reported to the credit reference agencies. Several months later, Capquest responded and accepted there may have been an error made but hasn't confirmed how it intends to resolve the issue. Earlier this month, Mrs W sent us a copy of the entry on her credit file from Capquest that shows arrears information remains and is increasing each month.

As Capquest hasn't agreed to settle in line with the investigator's recommendations which were issued in November 2023 and hasn't provided further evidence to show it's fairly recorded missed payments on Mrs W's credit file, her case has been passed to me to make 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.

I'm aware that Capquest last emailed the investigator on 7 March 2024 to say it was continuing to investigate what had happened. But I'm not persuaded there are reasonable grounds to delay issuing Mrs W's decision further. The issue was first brought to Capquest's

attention by Miss W in the summer of 2023 and our investigator issued their findings to Capquest advising how they think the complaint should be resolved in November 2023. It's now March 2024 and Capquest hasn't supplied information to support it's fairly recording accurate information on Mrs W's credit file or taken reasonable steps to resolve the issue.

We have copies of the Notices of Assignment sent to Mrs W on 17 May 2023 that confirm, from that date, Capquest is no longer the owner of the account. So I'm satisfied it's clear that, from 17 May 2023, Capquest should not have been reporting any "live" information concerning the account. Once the debt was sold, Capquest should've recorded that it was closed from that point.

I also think it's fair to say that once Capquest sold the account, it was no longer responsible for recording the level of payments Mrs W was making towards the balance or whether she was in arrears. That was A's responsibility as the new debt owner. Only A can say whether Mrs W was making the right level of repayments.

Given the length of time the situation has gone on for and increasing arrears recorded by Capquest, I'm satisfied it's now appropriate to issue a decision that directs it to take action to resolve Mrs W's complaint. I'm going to tell Capquest to remove all information it's reported about Mrs W's account from 17 May 2023 onwards and record it as closed from that date.

In addition, I'm satisfied that the amount of time taken to respond, along with the ongoing to impact to Mrs W's credit file is unreasonable. So as well as directing Capquest to amend Mrs W's credit file, I'm also going to tell it to pay her £400 in recognition of the distress and inconvenience caused. In my view, that figure fairly reflects the impact of the issues raised on Mrs W.

My final decision

My decision is that I uphold Mrs W's complaint and direct Capquest Debt Recovery Limited to settle as follows:

- Take steps to stop reporting increasing arrears on Mrs W's credit file
- Amend Mrs W's credit file to show her account as closed on 17 May 2023
- Remove all information, including any arrears, reported from 17 May 2023 onwards
- Pay Mrs W £400 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 23 April 2024.

Marco Manente
Ombudsman