

## **The complaint**

Mrs L complains that Blantyre Credit Union Limited, trading as Thistle Credit Union, re-reported a debt to the credit reference agencies when it had previously been written off.

## **What happened**

Mrs L's debt with Thistle Credit Union was written off in 2010. But when there was a problem with their business systems they inadvertently reported the debt again to the credit reference agencies.

Mrs L complained that she had been inconvenienced by this issue. She said she was unable to get a mortgage at a preferred rate because of the adverse credit report.

Thistle Credit Union agreed that they had made a mistake and they removed reference to the account from Mrs L's credit file. But they wouldn't pay any compensation to Mrs L, so she referred her complaint to this Service.

Our investigator agreed that Mrs L had been inconvenienced. It was his suggestion that Thistle Credit Union pay Mrs L £300 compensation but as they didn't agree, the complaint has been passed to me, an ombudsman, 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 know it will disappoint Thistle Credit Union, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

There's no dispute that Thistle Credit Union did something wrong here. They shouldn't have reported the written off debt to Mrs L's credit file again. They rectified the error quickly when the mistake was noted, and they've also taken action to make sure that sort of thing doesn't happen again. I understand that Union's such as this are run for the benefit of the community they serve and that they don't have significant surpluses as for example, a bank might have. I'm also aware that the Union lost out when Mrs L couldn't repay her debt. But none of that changes the extent of the inconvenience caused to Mrs L. Mrs L's credit file doesn't demonstrate there were other adverse issues that may have resulted in her mortgage application being declined and, on balance I think it's likely that the credit marker reported by Thistle Credit Union impacted her ability to obtain a mortgage at a preferred rate in 2023. It wouldn't be fair to ask Thistle Credit Union to compensate Mrs L for the difference in payments she may be making now compared to what she may have been making. Those

payments could only be hypothetical. But I think Thistle Credit Union should pay some compensation and, in the circumstances, I think £300 is fair.

### **My final decision**

For the reasons I've given above, I uphold this complaint and tell Blantyre Credit Union Limited to pay Mrs L £300 to compensate her for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 17 July 2024.

Phillip McMahon  
**Ombudsman**