

The complaint

Mrs H complains that her account with Next Retail Limited (Next) was blocked because of information from a credit reference agency.

What happened

Mrs H has had a Next account since 2016. In September 2022, it was suspended as Next were given adverse information from a credit reference agency (CRA). In September 2023, the balance of Mrs H's Next account was zero.

Mrs H says her credit file is good and shows she's not had any financial problems or issues with other lenders. She says Next are responsible and complained to the firm. She says the allegation of insolvency is untrue and insulting. She says Next have a duty under the Data Protection Act to record accurate information, and it's plain to see that Next aren't doing that.

She is concerned that further problems may arise with other lenders – and this is causing her concern and anxiety.

Mrs H says Next should correct their records, and it is that firm's responsibility to do that.

Next said they assess all accounts regularly based on internal information, together with information from CRAs. In the case of Mrs H, the CRA in question advised Next that there was an insolvency marker on Mrs H's records with another lender. Next looked at Mrs H's credit report and agreed there wasn't anything of concern on it. They wondered if the CRA may be linking or associating Mrs H with another person with similar details.

Next said this was a matter that Mrs H needed to take up with the CRA.

Mrs H brought her complaint to us. Our investigator agreed with Next. The firm relied on information provided by the CRA, and it was in their terms and conditions that they may restrict or terminate a customer's account based on that information. He sent Mrs H a screenshot of the information that Next got from the CRA – and this showed there is a marker on Mrs H's records at the CRA which says there is a potential insolvency with another lender.

He said it was for Mrs H to raise this with the CRA. He'd done a search on the Insolvency Register and there was someone with the same name as Mrs H on it – showing as an alias. It may be that this was the record at the CRA that was causing the problem, but it was for Mrs H to take that up with the CRA.

Mrs H didn't agree and asked that an ombudsman look at her complaint, and so it has come to me.

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.

All lenders, including Next, take information from the CRAs – which shows customers' credit records with all lenders. This is commonplace in the industry.

In this case, I can see that the download of information from the CRA in question does contain a marker – which is 'CCJ – Y' i.e. indicating there is a county court judgment against Mrs H. She's shown us her credit report and there's no such issue showing on it.

I'm satisfied that Next have taken the download of information from the CRA – and Next have to accept that information as being accurate. It is not for Next to question or try to change the information held by the CRA.

The core issue here is that the data, and its accuracy, is owned by the CRA, not by Next. And it is for the CRA (not Next) to ensure its records are correct. Which, in this case, it appears not to be the case.

Next told us that it's possible there is someone with the same name as Mrs H which is causing the issue. Our investigator looked at the national Insolvency Register – and at that time, there was someone on it using Mrs H's name as an 'alias'. It maybe that was the cause of the problems here. I looked at the register recently and that person isn't recorded on it anymore – so I can't confirm that information.

Mrs H says she has taken the issues up with the CRA and showed us a letter (dated 1 August 2023) she got from them. But it doesn't address her points at all – and I'm afraid the only way to get this resolved is for Mrs H to go back to the CRA and ask them to investigate it. In this way, she can also feel comfortable that future problems won't arise with other lenders.

I realise Mrs H feels strongly about her complaint, and understand how frustrating this must be for her, but Next have done all we can expect them to in order to try to resolve this issue. And therefore, I am not upholding Mrs H's complaint against Next.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 4 September 2024.

Martin Lord
Ombudsman