

The complaint

Mr and Mrs G complain The Funding Corporation (1) Limited trading as The Funding Corporation (FC) have incorrectly reported data on Mrs G's credit file – and haven't removed it when they said they would.

What happened

Mr and Mrs G say when they tried to upgrade their current account with their bank, this was turned down. They discovered the reason for this was negative information recorded on Mrs G's credit file in 2020 and 2023. Mrs G has said they deferred three payments in 2020 due to the Pandemic, and there was no reason for payments from April 2023 to have been reported as missed. So, they complained.

FC accepted no negative information should be reported in 2020 or 2023. They said they'd arrange for this to be updated, which should take around 30 days, and offered a payment of £150 compensation.

This response was sent on 23 November 2023. On 27 February 2024 Mr and Mrs G referred the matter to our service, saying despite FC accepting they'd made a mistake, and offering compensation, no further action had been taken even though they'd chased multiple times. The negative information remained, and the compensation hadn't been paid.

As part of our standard process, we asked FC for their file. They replied on 6 April 2024 providing their file – but they made no comment on whether they'd now completed the redress they'd said they would. Our Investigator chased them several times, but with no reply then had to progress matters.

He issued an outcome saying FC needed to remove the data, and given the very significant delays at this point, to pay a total of £400 compensation.

Despite a number of chasers, FC have failed to reply to our Investigator, so he's progressed it forward for an Ombudsman to decide the case.

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.

The first point I need to think about is whether it's appropriate for me to consider the outcome of this case in the absence of FC's reply – and I'm satisfied it is.

I've set out the contacts from our service to FC below:

26 April – asked for confirmation of whether the redress had been paid or not

8 May – chased for an answer to the above

13 May – further chaser

31 May – our Investigator upheld the case, and recommended £400 compensation, plus the removal of the negative information, due to the delay in actioning this from FC's response in November 2023

3 June – FC replied, and said they thought this had been resolved, and asked for evidence the account was still reporting incorrectly

4 June – our Investigator replied, providing the evidence Mr and Mrs G had given us about the incorrect markers

14 June – our Investigator chased FC for a response to the above

21 June – he chased FC again

28 June – he chased FC again, and said if there was no reply by 5 July then he'd pass the case over to the final decision queue for an Ombudsman to consider things

8 July – our Investigator sent both parties notification the case was now being progressed to the queue for an Ombudsman to consider, and both parties had until 22 July to provide any more information

And, as at the date of this decision, no reply has been received. So, from our first request to now, it's been over four months. In that time, we've had one reply from FC which engaged with us on this point, and they simply said they thought it'd been resolved. We've then given them the evidence from Mr and Mrs G, and they've not replied since.

So, because of that that, I'm satisfied it's appropriate to continue to consider the complaint. This then leaves two issues – the first of which is whether it's appropriate to tell FC to remove the negative markers, and the second is to decide what compensation if any is due.

FC's response to Mr and Mrs G's complaint is clear in saying they think they've made a mistake in reporting the negative markers – so they'll arrange to remove them. FC did provide contact notes on 6 April 2024, but none of those really provide much detail for me to independently assess whether it's right for the markers to be removed. And Mr and Mrs G's evidence isn't entirely conclusive either – as it mentions a different company name. I'm unclear on why that would be the case. But, when replying to our Investigators outcome, FC once again accepted the markers should be removed – by saying they thought they already had been. And FC have had Mr and Mrs G's evidence for over three months without comment – so I have Mr and Mrs G telling me this relates to FC, and FC not countering that.

So, while I lack the explicit evidence to independently verify this, I'm satisfied FC believe they've made an error – and so it's right for them to subsequently remove the markers. I understand Mrs G believes the markers have only impacted her credit file, but it's not clear if Mr G's credit file has been checked. So, for completeness, I'll direct FC to remove any negative information from Mr G's credit file if they relate to the same reasons – the deferment in 2020 and missed payments from April 2023 onwards.

Separately, it's clear FC have failed Mr and Mrs G quite significantly in this case. In November 2023 they said they'd remove the negative markers. Despite many contacts from Mr and Mrs G, plus a complaint to our service, in the ten months since this seemingly hasn't been done. This is extremely disappointing – and I understand Mr G has since been turned down for a loan which he's attributing to issues regarding this problem. I can't know for certain why Mr G was turned down for this loan, but it's clear these issues not being resolved have caused distress over an extended period when it really didn't need to. In the circumstances, I'm satisfied £400 compensation is fair.

I note Mr and Mrs G have some concerns over another party who administers this account on behalf of FC – but this isn't something I've considered as part of this complaint.

Putting things right

I require FC to:

- Remove any negative markers from Mr G and Mrs G's credit files regarding the deferment in 2020
- Remove any negative markers applied in error from Mr G and Mrs G's credit files from April 2023 onwards
- Pay Mr and Mrs G £400 compensation

My final decision

For the reasons I've explained above I uphold this complaint and require The Funding Corporation (1) Limited trading as The Funding Corporation to carry out the actions in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 10 October 2024.

Jon Pearce
Ombudsman