

The complaint

Miss B complains that Creation Consumer Finance Ltd changed the address on her account to that of another customer with the same name and subsequently failed to inform the credit reference agencies to remove the incorrect address from her file.

What happened

Miss B holds an account with Creation. In March 2023 she discovered through her credit file that Creation had changed the address on her account to that of another customer with the same name. This had the effect of linking all of the other customers reports to Miss B's credit file.

Miss B contacted Creation and they reverted her address to her old one on 26 April 2023. Creation assured Miss B that it would inform the credit reference agencies to remove the incorrect address from her file.

In March 2024 Miss B discovered from her credit file that the incorrect address had never been removed. Creation had updated Miss B's address on its records without reporting the correction to the credit reference agencies.

Miss B complained to Creation, but they took over 8 weeks to respond and didn't issue a final response. Miss B brought her complaint to this service.

Our investigator upheld the complaint. He said that Creation hadn't taken the necessary steps to correct their mistake which had caused a prolonged impact on Miss B. The investigator said that Creation should ensure the incorrect record was removed from Miss B's credit file and pay compensation of £350 for the distress and inconvenience caused to Miss B.

Creation accepted the investigators view but Miss B didn't agree. She said she thought the award ought to be increased because she felt that Creation had shown a disregard for customers as it hadn't responded to her complaint. She said the compensation didn't cover the time she'd spent contacting Creation to try and resolve the issue.

Because Miss B didn't agree I've been asked to review the complaint.

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.

Creation didn't respond to the request from this service for its complaint file, so I've only been able to look at the information provided by Miss B to determine this complaint.

Creation did contact this service after the investigator had issued his view and said:

"To explain, this customers account was linked with another customer due to a system error. We are currently in the process of removing the link and amending the customers credit file

but as these actions haven't yet been completed, we were not in a position to issue our final response letter".

There's no dispute that Creation made an error here. And despite Creation assuring Miss B in April 2023 that it would put things right, Miss B discovered 12 months later that her credit file still hadn't been corrected.

I don't doubt that it must've been distressing for Miss B to discover that her account had been linked with someone else's. And I acknowledge that Miss B was caused further distress and frustration when she discovered 12 months later that Creation had failed to correct the error. It appears that Creation amended Miss B's address on its own systems in April 2023 but failed to amend Miss B's credit file with the credit reference agencies.

I've thought about the impact that the error has had on Miss B. I understand that this has been a distressing time for Miss B. She's told this service that the experience has caused her anxiety. She's also said that she's been financially burdened by the significant amount of time she's had to spend contacting Creation to resolve the issue. I've taken everything that Miss B has said into account.

That said, Miss B didn't become aware that her credit file hadn't been amended until March 2024. So although the issue has gone unresolved for 12 months, it's fair to say that Miss B hasn't been impacted throughout all of that time. But I can see that once Miss B became aware that the issue still hadn't been resolved, she had to spend time contacting Creation. I can see that Creation didn't issue a final response to Miss B, which no doubt added to her sense of overall frustration.

I've had regard to all the available information, and I've thought about the level of compensation. I appreciate that Miss B wants more compensation. However, I agree with the investigators award. It isn't the role of this service to punish a business, and the level of compensation recommended is in line with this services guidelines. I think compensation of £350 is fair and reasonable to reflect the distress and inconvenience caused to Miss B.

Putting things right

To put things right, Creation Consumer Finance Ltd must:

Ensure that Miss B's credit file is amended to completely remove the incorrect address and incorrect link to the other customer

Pay £350 compensation to Miss B

My final decision

My final decision is that I uphold the complaint. Creation Consumer Finance Ltd must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 13 December 2024.

Emma Davy
Ombudsman