

The complaint

Mr N complains that Zilch Technology Limited has not removed negative information from his credit file and his account remains open.

What happened

Mr N says that Zilch agreed to the above as a result of a previous complaint with this service. He says that, although he has received a refund and £200 compensation, his account remains open and negative information continues to show on his credit file. Mr N adds that his credit report shows inaccurate information about a late payment and the Zilch app incorrectly shows an outstanding purchase from 2023.

Zilch agreed to remove the late payment marker, close the account and pay an additional £50 compensation. It explained that, due to an oversight, the account was blocked rather than closed.

Mr N initially confirmed that the Zilch account was no longer showing on his credit file.

Our investigator recommended the complaint should be upheld. He acknowledged that Zilch was no longer showing on Mr N's credit file but considered £150 was more reasonable compensation for the length of time inaccurate information was being reported.

Mr N responded to say, in summary, that £150 does not adequately reflect the impact of Zilch's actions. He says, his credit limit and outstanding balance were reported incorrectly, the app still shows an outstanding purchase, and Zilch's lack of care has damaged his creditworthiness. Mr N adds that Zilch has also recently renewed his card, despite having agreed to close his account.

Zilch responded to say that its existing offer of £50 was made in good faith following the delay with acting upon the original complaint outcome. It said Mr N has already received £200 for what is effectively the same issue and it is not prepared to increase the offer. Zilch confirmed the account is now closed and the credit file is correct.

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.

Mr N has now said that the information on his credit file is still incorrect. I have seen evidence to show that this was the case as recently as this month and, indeed, Zilch also renewed his card in November 2024. As a result, I'm satisfied that this issue has being

causing Mr N ongoing concerns with incorrect information showing on both his app and his credit file.

I acknowledge that Zilch says all these issues were addressed in a previous complaint to this service, but the compensation awarded in that instance reflected the expectation that the agreed actions would take place shortly after the agreed outcome in March 2024 and that didn't happen.

Furthermore, Zilch maintained, multiple times, to both Mr N and to this service that the credit file had been corrected. It has now materialised that this is not the case. Following further discussions with Zilch and ongoing requests for proof, this service has now seen evidence that the promised amendments were not actioned. Once this was highlighted again to Zilch, it said it immediately removed the late payment marker from Mr N's credit file and that it marks closed accounts as dormant on credit files.

However, as Mr N has experienced the worry and inconvenience for almost a further year, I find it is reasonable that he should be awarded further compensation.

Based on this service's typical awards in this area, I find total compensation of £500 to be more appropriate. From our website:

- *An award of over £300 and up to around £750 might be fair where the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months...*

I acknowledge that Zilch has now said it's prepared to pay Mr N the additional £150, bringing the total award to £350, but I consider that to be insufficient for the above reasons.

Mr N has said he does not consider £500 adequately reflects the time, stress, and inconvenience he's endured, however, I can't see that he has suffered any financial loss to justify the £1,500 he is now claiming.

Putting things right

Given Zilch has already paid Mr N £200 for the same issues, I consider an additional £300 is fair in all the circumstances.

My final decision

My decision is that I uphold this complaint. Zilch Technology Limited should pay Mr N an additional £300 for the reasons outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 24 February 2025.

Amanda Williams

Ombudsman