

The complaint

This complaint is about a loan Mrs and Mr W hold with Topaz Finance Limited trading as Heliodor Mortgages.

In essence, the complaint is that during specified periods, Heliodor reported to credit reference agencies that their unsecured loan was in arrears by more than six months, without also reporting that the loan was subject to an agreed payment arrangement under a debt management plan.

What happened

The above summary is in my own words. The basic background to this complaint is well known to both parties so I won't repeat the details here. Instead I'll focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

What I've decided – and why

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we work within the rules of the ombudsman service and the remit those rules give us. We don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

First of all, I've noted that Heliodor has accepted that it reported incorrectly in January and June 2021. Heliodor has amended the reports for those months, and offered £150 compensation. I've looked at what happened, and agree that the remedial action Heliodor took was fair and reasonable for the circumstances of those periods. I next turn to the two other reporting periods that remain in dispute.

In asking for the complaint to be decided by an ombudsman, Mrs and Mr W have asked for three things:

- the reporting for the two periods June - October 2022 and October 2023 - January 2024 be amended to show that payment arrangements were in place;
- a reassessment of compensation to be paid for the harm caused by the incorrect reporting; and
- Heliodor to improve its processes for dealing with debt management organisations.

I'll deal with the last of the above points first. Having no regulatory power means that it is outside my remit to tell a financial business how to design and set up its systems and

processes. All I can do is assess the extent to which those systems and processes a business already has in place have been fairly applied in individual situations.

Heliodor, like every provider of credit that reports to credit reference agencies, has a duty to report accurately and fairly. Where a borrower is in arrears, it reports the amount of arrears in terms of the number of monthly payments represented by the overdue balance, up to a maximum of six months' worth. If a payment arrangement is in place, Heliodor reports that too alongside the equivalent number of months in arrears. In itself, that's standard industry practice. It's worth also noting that not all credit reference agencies display the information in the same way, and Heliodor has no control over that.

Heliodor has done that in Mrs and Mr W's case. The sticking point is that during the two periods in dispute, a payment arrangement wasn't in place. This was because on both occasions, an existing arrangement had expired, and a new one was not immediately put in place. I'll deal with the reasons behind that next, but on the reporting itself, Heliodor acted fairly and reasonably.

Mrs and Mr W have had a long-standing debt management plan through a third party I'll refer to here as S. S acts as their intermediary to negotiate and agree payment arrangements with their creditors. In doing that, S acts as Mrs and Mr W's agent. It has taken on the *task* of agreeing the payment arrangements on Mrs and Mr W's behalf, but the *responsibility* remains theirs. That's why I consider it reasonable for Heliodor to have approached Mrs and Mr W (rather than S) when an arrangement was coming to an end.

I don't know what action they and/or S took at the relevant times. What is apparent is that whilst payments continued to be made, both of the disputed reporting periods arose because an existing arrangement ended and a new one was not immediately proposed and accepted to take its place. That being so, it would not have been right for Heliodor to report the existence of a payment arrangement alongside the equivalent monthly arrears number.

I have no remit here to judge the actions of S; no criticism of S is intended, and none should be inferred. The simple fact is that Heliodor could not report the existence of a payment arrangement during periods when no payment arrangement existed. Meanwhile, the responsibility for making sure new payment arrangements were requested, whether directly or via S, lay solely with Mrs and Mr W.

My final decision

My final decision is that I don't uphold this complaint.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs and Mr W to accept or reject my decision before 8 January 2025.

Jeff Parrington
Ombudsman