

The complaint

Mr H complains Blantyre Credit Union Limited didn't tell him when there was a transfer of engagement involving his previous credit union. He's also unhappy he received letters saying he was in arrears despite making his repayments, and that his loans were added to his credit file.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

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.

Having considered everything, I've reached the same conclusions as our Investigator, for these reasons:

- Blantyre has explained that due to financial constraints, the previous credit union couldn't afford to report to credit reference agencies (CRA). I know it would have come as a surprise to Mr H to see the loans reported on his credit file, when that hadn't happened before. However, there is no dispute that he had taken out the loans. Credit files are meant to be an accurate reflection of the accounts a consumer holds and how they're being managed – and businesses are expected to report this information. So, I don't agree Blantyre did anything wrong when they shared information about Mr H's loans to CRAs. However, Blantyre has said this information has been removed, and Mr H has sent us evidence that confirms the same. Therefore, I don't think there's anything further Blantyre needs to do in respect of this complaint point.
- Blantyre's final response acknowledges their service fell short in not communicating the transfer of engagement. I do think unexpectedly finding out a business you've been banking with has changed would be concerning for most people. So, it's disappointing Blantyre didn't do more to ensure members were given the relevant information ahead of time. In turn, I also think it's disappointing they didn't proactively take steps to reassure Mr H they'd taken his concerns seriously – particularly given the content of his complaint letter demonstrated he takes the management of his finances seriously.
- Blantyre also accepted that Mr H had made his repayments on time. They clarified there was a problem with the payment system they used, and this should have been communicated to their credit control team to prevent false arrears being chased. While I accept their credit control team acted in line with their normal policies because they were unaware of the problem with the payment system – that doesn't mean their service didn't fall short and impact Mr H. So, again, given what Mr H

expressed in his complaint letter, I consider Blantyre could and should have done more to put things right.

- Mr H explained that when he received the letter about the arrears, he was very concerned as he always took steps to make his payments on time – and if he was due to go away, he would make double payments. And with every payment, he would keep receipts (which I've seen copies of). He also mentioned this series of events caused him distress because he'd been hacked in the past. Given the extent to which Mr H manages his finances, coupled with the ongoing concern that someone can experience after being hacked, I do think an award of compensation is warranted. I agree the award of £100, suggested by our Investigator, is within the range I would suggest as a fair resolution in these circumstances.
- I've taken on board what Blantyre have explained regarding the impact financial awards can have on the credit union. However, I do want to stress that the award isn't a punishment on Blantyre. This award is what I think fairly reflects the distress and inconvenience Mr H experienced because of the mistakes they agree shouldn't have happened.

For the reasons above, I'm upholding Mr H's complaint.

My final decision

My final decision is that I'm upholding Mr H's complaint about Blantyre Credit Union Limited.

To put things right, Blantyre Credit Union Limited should pay Mr H £100 in recognition of the distress and inconvenience their mistakes caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 July 2025.

Sarrah Turay
Ombudsman