

The complaint

Mr O complains that PRA Group (UK) Limited trading as PRA Group (PRA) were continuing to report a default to his credit file when they shouldn't have been.

What happened

I set out the background to this complaint and my initial findings in my provisional decision dated 6 March 2025 (below)

What happened

Mr O had an account with an overdraft facility with a bank I'll call them B for the purposes of this decision. Mr O fell into financial difficulties and through the help of a debt charity made a proposal to pay a small monthly payment towards the outstanding balance. The proposal wasn't acceptable to B and so they sold the account on to a debt purchaser (DP). The DP appointed PRA to service the account.

In 2023 Mr O raised a complaint about irresponsible lending, PRA passed this complaint on to B, who upheld the complaint. They provided both Mr O and PRA with a copy of their response letter dated 29 August 2023.

The key things noted in the response letter are:

- Mr O's overdraft facility shouldn't have been approved beyond 1 July 2017 and so B refunded all charges and fees from that point – a total of £260.57.*
- They awarded Mr O £30 as an apology.*

The response specifically said:

Your credit file will be cleared

As your account closed in January 2020 with a default your credit file shows some negative information. I'll arrange to remove this information but please be aware it can take up to 60 days for all your files to be updated.

In July 2024 Mr O complained to PRA group as he noticed the default was still showing on his credit file.

Mr O contacted B at the same time, and they confirmed this should have been done and that they had since contacted PRA again to ask them to do this. They also told Mr O PRA had confirmed to them it had been done on 31 July 2024.

PRA group didn't uphold Mr O's complaint, they said as the final response letter hadn't been specific about the default being removed it hadn't done so.

Mr O was unhappy with this response as the default had remained on his credit file for around a year longer than it should have, so he referred his complaint to this

service.

Our investigator didn't uphold Mr O's complaint, in summary they said PRA weren't responsible for the reporting of the default – this was the responsibility of DP and they weren't regulated.

Mr O remained unhappy with this answer and so the matter has been passed to me to decide.

What I've provisionally 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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me.

I'm aware our Investigator said there were elements of this complaint that PRA wasn't responsible for. But, in my view by appointing a regulated debt servicer, DP passes on responsibility for all actions under Article 60B(2) to Link. So, I'll be taking the approach that PRA is responsible for the activity of exercising the lender's – in others words the owner of the debt (DP) – rights and duties under a regulated credit agreement. So, I'll be considering these elements against PRA.

There is no dispute the default remained on Mr O's credit file for much longer than it should have, and I think PRA could have prevented this. I say this because having read the final response letter from B I can see B have said the lending wasn't responsible after 1 July 2017 and that Mr O's credit file will be cleared.

I don't agree with what PRA said as I think the intention of B is clear here. But even if it wasn't PRA could and should have clarified this with B when they were provided with the response.

PRA have told us they didn't clarify the information and said they cannot give a reason for this.

Other than the default being on his credit file for longer, Mr O hasn't provided any evidence to show there was an adverse impact. So, I think PRA should pay Mr O £100 for the upset and inconvenience caused to him by the delay in removing the default when they should have.

My provisional decision

For the reasons set out above, my provisional decision is that I uphold Mr O's complaint against PRA Group (UK) Limited trading as PRA Group and require them to pay Mr O £100.

I invited both parties to respond with any comments or arguments they thought were relevant.

Mr O accepted my findings.

PRA didn't respond.

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.

As Mr O accepted the findings and PRA didn't make any new representations, I see no reason to depart from the findings of my provisional decision.

Putting things right

PRA should pay Mr O £100 for the upset and inconvenience they caused to him by the delay in removing the default from his credit file.

My final decision

For the reasons set out above, my final decision is I uphold this complaint and require PRA Group (UK) Limited trading as PRA Group to carry out the actions as set out under the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 18 April 2025.

Amber Mortimer
Ombudsman