

The complaint

Mr O complains that Gain Credit LLC trading as Lending Stream has not done the right thing in relation to his credit file recording of a loan he had with it.

What happened

On 1 November 2024 Mr O agreed with Lending Stream to take a loan. It was for £150 plus interest, and due to be repaid over several instalments. The first was due on 25 November 2024 for £48.10 and then four more each month for the same amount. The sixth repayment was due on 25 April 2025 for £47.14.

Lending Stream's records for the loan account show that the 25 November 2024 repayment was not received. It had tried to take the funds from Mr O's account twice but each failed due to insufficient funds. On 27 November 2024 Mr O repaid the first instalment due and then the whole amount due to clear the account. The interest charged was less than that set out in the agreement. The loan account closed late November 2024.

Mr O complained on the 10 December 2024 about his credit record and Lending Stream issued its final response (FRL) on 16 December 2024. It gave explanations about the repayments and then it explained why one of the credit reference agencies (CRAs) it used had marked that as a late payment. Then to assist Mr O it said:

However, as a goodwill gesture, we've raised necessary amendments with the credit reference agencies to remove the late payment mark reported on your credit file. We'll send this information to the credit reference agencies as part of our regular update. It may take a little longer for the change to appear on your file, depending on how quickly they update their records. In most cases, you should expect to see the changes appearing on your record in 30-45 days.

In correspondence with Mr O after the issuing of the FRL, Lending Stream added that it did not feel able to offer him compensation as it did not consider it had committed any errors in the management of his loan account.

Mr O referred his complaint to the Financial Ombudsman Service where one of our investigators considered that Mr O's complaint should not be upheld and Mr O's request for compensation was not something he needed to ask Lending Stream to do.

The unresolved complaint was passed to me to decide.

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.

I've summarised the events of the complaint. But I want to assure both parties that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it, it's because I've concentrated on what I think are the key issues. Our powers allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Mr O appears to have accepted that the scheduled first repayment did not go through. He's made many points to stress his view that because it was not significantly late then the Credit Reference Agencies (CRAs) did not need to be informed.

Whether Lending Stream was incorrect or wrong to report the non-payment for 25 November 2024 is somewhat academic as it agreed to put things right as a measure of goodwill to resolve Mr O's complaint. And it did that before the FRL was sent and confirmed it had started that process of correction in the FRL. But, as Mr O has submitted a lot of detail then I considered it fair that I answer Mr O's point.

The Information Commissioner's Office (ICO) published Technical Guidance for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies. I consider this a satisfactory guidance for me to look at as its one used industry wide. It sets out, amongst other things, that:

"2. Should a payment not be made as expected, information to reflect this will be recorded on your credit file. If you do not make your regular expected payment by the agreed time and/or for the agreed amount according to your terms and conditions, the account may be reported to the CRAs as being in arrears. If this continues over time, the level of reported arrears will increase, which may result in the lender taking some form of action."

So, I can't reasonably conclude that Lending Stream did wrong.

Mr O has said that Lending Stream have delayed and he ought to be compensated.

Mr O complained to Lending Stream on 10 December 2024 at 10:14am. It has sent to us evidence that it requested the credit file amendment at 10:17 am on 10 December 2024. So, it acted on Mr O's complaint instantly. It could not have done it any earlier or any quicker in my view. Lending Stream confirmed that it had started that correction process when it wrote to Mr O a few days later in the FRL. I set that out in the 'what happened' part of the decision.

And the wording of the FRL is important – *'It may take a little longer for the change to appear on your file, depending on how quickly they update their records. In most cases, you should expect to see the changes appearing on your record in 30-45 days.'*

Mr O has sent to us many submissions, all of which I have read and many screenshots, and some are from different CRAs. The screenshot from one of the CRAs which I will refer to as 'T' shows that Mr O's Lending Stream loan was started on 1 November 2024, ended on 27 November 2024, was marked as settled and the green circle with 'UC' within it has an explanation screen attached. And I am familiar with entries of U or UC on credit files. This usually is when the account is too young for there to be an entry. And in fact, the explanation screen generated by T (and included in the screenshot) gives several scenarios as to why the UC green dot was showing. So, I consider there was nothing incorrect about that screenshot or entry.

That screenshot evidence was sent to us by Mr O on 30 January 2025 and it is a screenshot dated 29 January 2025. 45 days from 16 December 2024 – the FRL date – calculates as being 29 January 2025. So, on Mr O's evidence I see that the entry was satisfactorily carried out.

And in any event, there's no strict rule of an amendment having to be carried out within a certain time. The FRL wording makes it clear this was about the right number of days in most cases.

compensation

Mr O's request for compensation has increased from the original £20 to £500 to reflect, in his own words, the *'financial and emotional impact of their error, Their failure to adhere to the timeframe I set in my original complaint, The prolonged harm caused by their delay in rectifying the situation.'*

On the issue surrounding compensation, as I consider that Lending Stream has acted fairly and quickly to try to put things right as a goodwill gesture as soon as Mr O's complaint was received then I do not consider it could have done more. And even if the original credit record was not as Mr O would have liked it to be in late November 2024 or early December 2024, I'm not persuaded that this Lending Stream record would have caused the issues Mr O says he needs to be compensated for.

I do not consider that compensation is due.

My final decision

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 10 October 2025.

Rachael Williams
Ombudsman