

The complaint

Mr S complains about the way Jaja Finance Ltd ('Jaja') reported his account to the credit Reference Agencies ('CRAs') following his bankruptcy.

Mr S wants his credit file amending.

What happened

Mr S became bankrupt on 15 January 2021 and was discharged from bankruptcy on 15 January 2022.

Mr S complained to Jaja that they'd failed to report his account correctly to the CRAs following his bankruptcy, despite him contacting them about this.

In November 2023, Jaja accepted they'd mistakenly reported late payment markers to Mr S's credit file despite his bankruptcy and they offered to rectify this and pay £75 in compensation.

Mr S referred his complaint to the Financial Ombudsman Service in March 2024 as there hadn't been any change to his credit file. At the time, Jaja offered to increase Mr S's compensation to £100.

Our investigator upheld Mr S's complaint and recommended that Jaja correct Mr S's credit file and pay Mr S a further £150 – so £250 in total – for his distress and inconvenience. Jaja accepted our investigator's recommendations.

Mr S then contacted the Financial Ombudsman Service again to say that Jaja had reported three missed payments to his credit file. Jaja told our investigator they'd reported Mr S's account as 'satisfied' on 10 February 2025.

Our investigator issued a further recommendation that Jaja pay Mr S a further £50 for his distress and inconvenience, so £300 in total. Jaja agreed.

In late May 2025, Mr S contacted the Financial Ombudsman Service to say he'd now received £300 from Jaja but his credit file had last been updated on 9 February 2025.

Mr S said that Jaja had been incorrectly placing negative entries on his credit file since 2022, and were reporting an outstanding balance despite his bankruptcy and his best efforts to correct this.

My provisional decision

I recently issued my provisional decision, saying:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time."

I intend to uphold Mr S's complaint and direct Jaja to amend Mr S's credit file. I intend to say that Jaja should also pay a further £100 to Mr S, bringing compensation for Mr S's distress and inconvenience to £400.

The Information Commissioner's Office ('ICO') gives clear guidance about what should be reported when an individual enters bankruptcy in its document 'Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies' ('PRAAD').

PRAAD states:

"4. Relationship of defaults to CCJs, decrees, bankruptcies, IVAs and similar arrangements.

...In normal circumstances lenders will be notified when the debt that is owed to them is to be included in an insolvency e.g. bankruptcy, IVA or similar and should be marked as included in that by filing a default as soon as is practical.

The default date must be consistent with that of the CCJ/bankruptcy or IVA; therefore a default should be filed as being no later than the date of the insolvency order. In circumstances where the lender is not immediately aware, the default can be filed at that point in time. If evidence of the insolvency date is provided, the default date recorded at the CRA will be aligned.

If a default has already been filed and a CCJ or other insolvency or similar is subsequently registered, no further action is needed.

5. When an account is closed, the record should properly reflect the closing payment status of the account and any agreement between the parties.

...Your record should be closed and marked as partially settled if:

- Your account is included in an insolvency such as a bankruptcy or IVA which is discharged / completed and less than the full amount is paid".*

I've seen evidence that Jaja were aware of Mr S's bankruptcy on 24 April 2021 as this is reflected in their system notes and coincides with contact from Mr S.

I'm minded to say that Jaja should have reported Mr S's account as being in default when they were aware of his bankruptcy, back dating this to 15 January 2021.

I've seen evidence from Mr S that his debt to Jaja was included in his bankruptcy and so I have no reason to doubt that his debt to Jaja was extinguished when Mr S was discharged from bankruptcy on 15 January 2022.

So, I'm minded to say that upon Mr S's discharge from bankruptcy Jaja should have closed Mr S's account and marked this as partially settled (on the basis they'd not been paid in full). Jaja admit that this isn't what happened and their system notes evidence they'd placed missed payment markers between November 2023 to September 2024. Jaja accepted these should be removed.

Mr S's credit file shows that Jaja then went on to report missed payments in December 2024, January 2025 and February 2025 and an outstanding balance of £2,465 - despite the findings of the Financial Ombudsman Service's investigator in October 2024.

And Mr S's credit file from 23 May 2025 shows Jaja's entries were last updated on 9 February 2025. I'm minded to say this wholly supports Mr S's contention that Jaja have not updated his credit file in line with the ICO's guidance nor in accordance with the recommendations of the Financial Ombudsman Service in February 2025.

I intend to direct Jaja to adjust their reporting so it is in line with the ICO's guidance and recognised industry practice.

I also intend to direct Jaja to pay further compensation to Mr S as despite Jaja upholding Mr S's complaint in November 2023 and accepting our investigator's findings in October 2024 and February 2025, this matter remains unresolved.

I acknowledge that Jaja have agreed to pay £300 in total for the distress and inconvenience caused to Mr S for the events leading up to February 2025. However I intend to say that Jaja should pay a further £100 to Mr S to recognise the disappointment and exasperation he's felt having to raise this complaint a further time, which would bring his compensation to £400.

I am aware that Mr S is very upset that Jaja have subjected him to three years of negative reporting and I suspect he will feel £400 isn't enough to compensate him in these circumstances.

I've borne in mind that the ICO's guidance says Jaja ought to have reported a default in 2021 and this default would have negatively impacted Mr S's credit file for the following six years. This means that I'd have expected Mr S's credit file to be negatively impacted in any event, because of his bankruptcy.

So, the £400 I propose is to recognise the time and effort, frustration and annoyance Mr S has understandably experienced in trying to ensure his credit file is accurate and up to date, and he's not negatively affected longer than necessary."

Responses to my provisional decision

Jaja responded to say they'd carried out the resolution I proposed in my provisional decision.

Mr S said he accepted my provisional decision, but was concerned that Jaja would continue to report incorrectly going forwards, because that's what has happened historically.

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.

Given the responses from both parties I see no reason to depart from my provisional decision. For the reasons I gave in my provisional decision, I uphold Mr S's complaint and require Jaja to put things right as I've set out below.

I was pleased to see that Jaja were proactive in taking the steps I proposed to put things right but I recognise Mr S's concern that Jaja may continue to report incorrect information to the CRAs in future. It may help Mr S to know that I would typically expect changes to reflect on his credit file within 6-8 weeks of being made.

If Mr S accepts my final decision within the time limits, my decision will become binding.

It may reassure Mr S to know that Jaja are under an obligation to comply with awards made by the Financial Ombudsman Service. This obligation is set out in the Financial Conduct Authority's Handbook of rules and guidance, and says:

“DISP 3.7.12R

A respondent must comply promptly with:

- (1) any award or direction made by the Ombudsman; and*
- (2) any settlement which it agrees at an earlier stage of the procedures.”*

Putting things right

Jaja Finance Ltd must take the following action:

- (i) Report Mr S’s account as defaulted to the CRAs with a default date of 15 January 2021
- (ii) Report Mr S’s account as closed and partially settled as of 15 January 2022
- (iii) Pay Mr S a further £100 for his distress and inconvenience (£400 in total)

My final decision

For the reasons I have outlined, my final decision is that Jaja Finance Ltd must put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 3 July 2025.

Clare Burgess-Cade
Ombudsman