DRN-5782713

The complaint

Mr B complains that Intrum UK Limited (Intrum) have treated him unfairly by rereporting a default on his credit file which had previously been removed.

What happened

Mr B's complaint centres around a loan account he took out with a business I'll refer to as Z. Z defaulted the account in February 2021 following a period of non-payment and later in October 2021, they sold the account to Intrum.

Intrum began reporting the account to the credit reference agencies some months after this and included the default. Mr B raised a complaint with them about this and said the account had been in dispute and the default hadn't been applied correctly, along with various other points. Intrum placed the account on hold and let Mr B know they would temporarily stop reporting the default while they looked into things.

Following their investigation which included getting confirmation from Z , Intrum confirmed the information they held was correct and began reporting the default again to the credit reference agencies.

Mr B has raised numerous complaints to Intrum about their dealings with his account and as he remained unhappy with their responses to on those, he referred them all to our service. But he referred some of them too late. I issued a decision about our jurisdiction on 8 August 2025 confirming we only have the power to consider the complaint he has made about Intrum re-adding the information to his credit file in May 2024.

Our investigator looked into this, but didn't think that Intrum had done anything wrong when re-adding the default to Mr B's credit file, so didn't uphold his complaint.

Mr B disagreed and made many arguments as to why he felt the investigator had reached the wrong outcome. Most of these were about the actions of Z and Mr B made it clear that to be able to say Intrum had acted fairly we had to examine Z's actions. He also argued that a default shows that a person can't pay, which he says wasn't the case here, but that he was withholding payment due to a dispute with Z.

The matter has now been 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 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. If I've not reflected something that's been said in this decision, it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

Before I go into my findings, I think it will be helpful for me to explain that this is a decision about Intrum's actions only.

I understand that Mr B feels that Z's actions must be taken into account in order for a fair outcome to be reached. But Mr B raised a separate complaint about Z that this service considered and gave an answer to, so Z's actions have already been considered. The Ombudsman that decided Mr B's complaint about if Z unfairly applied the default, didn't uphold it. They found that although the default may have been applied prematurely in February 2021, it would likely always have been applied and to remove it and add it at a later date would have been more detrimental to Mr B than to leave it as it was and so the default was valid.

I note Mr B didn't agree with the outcome the Ombudsman reached, but that is our service's final answer on the actions of Z in this matter, and I want to make it clear I won't be considering or making any comments about their actions in this decision.

I also think it would be good to clarify for Mr B the purpose of a default. A default is a way for lenders to record when a person has not met the payment obligations of the credit agreement and, no matter the reason, they have stopped paying. It can be considered an indication of a person's ability to pay, by lenders but ultimately it shows a person isn't paying regardless of if they can or can't. And a credit file should be a true and accurate reflection of the conduct on an account.

The issue at hand here is did Intrum act fairly when they re-added the default to Mr B's credit file, I'm satisfied they did, and I'll explain why.

When Mr B first raised an issue with them about the default being reported, Intrum removed the reporting while they investigated. They wrote to Mr B on 1 June 2023 and explained this to him. Included in that letter was the following statement:

> *As discussed, I have liaised with my manager and he has agreed to remove our entry temporarily from your credit file, however we reserve the right to reinstate our entry should further investigations prove the default was correctly recorded.*

I think it's clear from this statement that Intrum were only removing the default from Mr B's credit file while they looked into matters. They raised a query with Z about the default and also asked Z to provide Mr B with an answer to his complaint about their actions.

Z confirmed to Intrum that they had the correct information about the balance and default on Mr B's account and so Intrum decided to readd that information to Mr B's credit file. They did this in May 2024. I think it was reasonable for Intrum to take this action as they had done what they said they would – remove the reporting while they investigated, and added the reporting back on when they found it was correct.

So, I don't think Intrum has acted unfairly in re-adding the reporting to Mr B's credit file. The debt is outstanding still and hasn't been settled, and they are entitled to record it as such.

I appreciate Mr feels very strongly about this, but I think it is worth explaining here that a default normally stays on a person's credit file for six years from the date it is added. The account defaulted in February 2021 so should ordinarily stay on Mr B's credit file, and be visible to other lenders, until February 2027. However, there have been times the default hasn't been reported to Mr B's credit file, including while Intrum were investigating his concerns which took just over a year. So, there have been long periods of time when the default hasn't shown on Mr B's credit file or been visible to other lenders. And, I think this has been beneficial to Mr B, I say this because as he has himself confirmed, at times when the default wasn't appearing he was able to obtain credit or get offers from other lenders, which he may not have been able to do if the default had been showing as it should have been.

I know Mr B will be disappointed with this outcome. But my decision ends what we – in trying to resolve his dispute with Intrum – can do for him.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 September 2025.

Amber Mortimer
Ombudsman