

## The complaint

Miss G complains that ZILCH TECHNOLOGY LIMITED incorrectly recorded adverse information on her credit file.

## What happened

The background to this complaint is well-known to both parties. So, I don't intend to set every detail out here. Rather, what follows is a short summary of events up to this point:

- Miss G holds an account with Zilch.
- On two prior occasions, Miss G has complained to Zilch about adverse information it recorded on her credit file. Miss G said the information recorded was incorrect.
- Zilch upheld those two complaints, and it said it would remove the incorrect reporting. It blamed a system error as the cause.
- In August 2025, Miss G noticed yet more incorrect reporting had been applied to her credit file. She complained again. Zilch didn't respond.
- Miss G contacted this Service. An Investigator here reviewed what had happened; having done so, the Investigator recommended Miss G's complaint be upheld. They said Zilch should remove any incorrect reporting, and that it should pay Miss G £200 in compensation for the distress and inconvenience caused.
- Zilch didn't tell our Investigator whether it accepted or rejected those findings. So, the Investigator arranged for Miss G's complaint to receive a final decision.
- Miss G's complaint has now been passed to me.

## 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 done so, in truth, there's little I can add to what our Investigator has already explained. Information here is limited; that's in no small part down to the lack of response provided by Zilch. Based on what I do have though, I can't see anything to suggest Zilch's reporting of late payments on Miss G's credit file is legitimate. Rather, it seems – on face value – that this is a continuation of the same error which Miss G and Zilch experienced previously. The circumstances Miss G has set out are the same as those she complained about previously, when Zilch upheld her complaints. So, it's *likely* related.

On the other hand, it may well be that Zilch does have reason to record what it has. But without it providing us any real justification, or even broad reasoning, I can't fairly say that it's acted appropriately. Simply put, for this latest instance, I've nothing to conclude – or even consider it more likely than not – that Zilch has requisite grounds to report adverse information to Credit Reference Agencies ("CRAs") as it has. It follows that I think Zilch needs to urgently ensure it's accurately reporting the status of Miss G's account; of course, Zilch should also remove incorrect adverse information if it identifies any. So, that's what I

require it to do.

In terms of the impact to Miss G, there's no doubt this matter has been frustrating, distressing, and inconvenient. While I can't say with absolute certainty that Zilch's previous errors – and the likely error here – are the *sole* cause for any impact to her credit score, it's unlikely to have had a positive effect. So, I agree with our Investigator who awarded a further £200 compensation on top of what Zilch has paid already; that overall amount, in my view, is a reasonable figure to reflect the general impact to Miss G.

Alongside that, I thought it worth setting out here that Miss G does have the option of asking to register a "notice of correction" with CRAs. In essence, that's a short explanatory note that Miss G can ask to add to an entry on her credit file which explains the background to that entry. Any firm who searches her credit report should then see the notice, and prospective lenders can then take it into account when making any decision regarding Miss G's finances. In conclusion then, Zilch hasn't shown that it has reported Miss G's account to CRAs correctly. So, I direct it to urgently review the information it has reported, remove any incorrect reporting, ensure everything else is accurate, and pay Miss G a further £200 compensation.

### **My final decision**

My final decision is that I uphold Miss G's complaint. ZILCH TECHNOLOGY LIMITED should put things right as I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 3 March 2026.

Simon Louth  
**Ombudsman**