

## The complaint

Mr C complains that Secure Trust Bank Public Limited Company (trading as V12 Retail Finance) will not adjust his loan balance or amend his credit file.

## What happened

Mr C says that he was unlawfully recalled to prison without charge in June 2024. He explains that he couldn't manage his payments during this time and told V12 this as soon as he was released. Mr C says that, despite this, V12 refused to reset the balance or remove adverse information from his credit file. He adds that this poor credit record has affected everything from housing applications to phone contracts and has worsened his mental health.

V12 says it is obliged to report accurate information to the credit reference agencies and so the missed payment information cannot be removed, despite Mr C's circumstances. It says that no charges have been applied to Mr C's account since June 2024, but that six £10 returned direct debit fees were applied prior to this. However, V12 agreed to refund this £60 as a gesture of goodwill, bringing the outstanding balance down to £226.74.

Our investigator did not recommend the complaint should be upheld. She didn't consider V12 had acted unfairly with respect to Mr C's circumstances, and she was satisfied that its reporting to the credit reference agencies was an accurate reflection of the account.

Mr C responded to say, in summary, that his circumstances were exceptional because his imprisonment was unlawful. He said he had no practical ability to manage his account whilst in prison, so was not wilfully withholding payment.

## 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.

### Loan Balance

Mr C took out a finance agreement with V12 when he purchased some furniture in March 2021. The agreement was to pay 48 instalments of £37.79 – a total of £1,813.92.

I can see from Mr C's loan statement that he made 42 of these payments between April 2021 and October 2024. Ten of the instalments were slightly late, following the direct debit being returned. V12 then applied a £10 "returned direct debit" fee to six of those late payments between October 2021 and November 2022.

Following his detention, Mr C was unable to make the remaining six payments that were due between October 2024 and March 2025. However, I'm satisfied that V12 did not apply any further interest or charges, and the outstanding balance remained at £286.74 – six instalments of £37.79 and the £60 charge he'd incurred.

Now that V12 has refunded the £60, even though the charges were not incurred during Mr C's time in prison, I'm satisfied that he has not been financially disadvantaged. I note that Mr C repaid the outstanding balance of £226.74 on 14 December 2025.

### Credit File

Mr C has provided evidence of the entries on his credit file, and I'm satisfied that they are an accurate reflection of the management of his account.

I can understand why Mr C considers this to be unfair, given he was unable to make the payments due to being in prison, especially as he says his detention was unlawful. However, V12 has an obligation to ensure that the information it sends to credit reference agencies is accurate so that other lenders can make informed decisions based on the correct data.

The Information Commissioner's Office requires lenders to report data that is accurate and up to date, and knowingly providing incorrect information, even for empathetic reasons, constitutes a breach of its guidelines.

Nevertheless, Mr C may wish to request that a Notice of Correction is attached to the V12 entry on his credit file so that future lenders can consider the missed payments in context.

In summary, I find V12 acted reasonably by refunding the £60, but I cannot conclude that it should amend Mr C's credit file, even though I sympathise with his particular situation.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 March 2026.

Amanda Williams

**Ombudsman**