

complaint

Mr M complains that RCI Financial Services Limited took too long to update information it registered on his credit file. He says as result he had to pay more for his loan than he would otherwise have done. He wants compensation of £25,000.

our initial conclusions

Our adjudicator didn't agree that it was likely that RCI's mistakes caused Mr M to make a loss of £25,000. But she did agree it had taken too long to update Mr M's credit file. She said it was likely this caused Mr M distress and inconvenience. She thought £200 was an appropriate award.

RCI accepted this recommendation. Mr M didn't. He reiterated that he thought he'd had to pay more for his loan than he should've done. He thought this was solely down to RCI's actions. He thought since it was agreeing to pay him £200 it was acknowledging he had made a loss and this was down to it. He repeated he wants compensation that reflects the loss that he said he'd made. Mr M asked that an ombudsman review his complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I think the £200 RCI has offered is fair and reasonable. I explain below why I've come to this conclusion.

Everyone agrees that RCI took too long to update Mr M's credit file. Mr M settled his agreement with RCI in 2014 but it didn't update his credit file until 2015. I can well understand why Mr M was dissatisfied. It took RCI a year to sort out this simple matter.

That said, Mr M is asking for the loss he says he made because of this. He says he took out a seven year loan. And instead of getting the headline interest rate the lender was offering he had to pay more. He lays the blame for this at RCI's door. He has calculated how much he would've paid over seven years if he'd got the headline rate and how much he's actually going to pay. He says the difference is £25,000 and RCI should pay him this.

But what I've not seen is anything from the lender to say that Mr M was guaranteed to get the headline interest rate and the only reason he didn't was because RCI hadn't updated Mr M's credit file. I know Mr M thinks it's crystal clear that the two things are connected. But that's not enough for me to say RCI must pay him £25,000.

I have to take on board that lenders generally base their decisions on a number of factors. They do usually take account of information from credit reference agencies but they have other things that they look at too.

Further, as I've already said there is nothing to show that even without RCI's mistake Mr M would definitely have been granted the loan with the lower interest rate.

Because of all of this I think it's unlikely that he made any loss at all. Or if he did make a loss that this was solely down to RCI taking too long to register that he'd settled his account.

For all of these reasons, it follows I've got no reasonable basis for saying RCI should pay Mr M £25,000.

my final decision

My final decision is that RCI Financial Services Limited should pay Mr M £200 for distress and inconvenience as it has already agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 April 2016.

Joyce Gordon
ombudsman