

complaint

Mr R complains that NewDay Ltd recorded incorrect information about him on his credit file. He's also unhappy it hasn't been able to explain why this error occurred.

background

In October 2018 Mr R discovered that, in May 2015, NewDay had recorded information about him on his credit file. This came to light when Mr R's employer carried out a credit check as part of his role. Mr R had never had an account with NewDay and, during that check, he found out it had linked an address, which he'd never lived at.

Mr R said his profession requires security clearance, which involves searches from various sources including credit file checks. And he said when his credit check revealed an address he hadn't disclosed he was given a lower security clearance while his address was being investigated. He said this impacted the work he was able to carry out and caused distress, inconvenience and embarrassment.

When Mr R complained to NewDay about what happened it upheld his complaint and agreed to remove the incorrect information from his credit file. It offered him £20 compensation by way of an apology. But it wasn't able to explain how his credit file had come to show incorrect information.

Mr R rejected NewDay's compensation offer because he didn't think it went far enough to recognise the distress and inconvenience he had been caused. And he referred his complaint to our service where our investigator upheld it.

Our investigator agreed that an error had been made, which warranted a higher award of compensation. NewDay reassessed the amount of compensation it was willing to pay and increased its offer to £100. Our investigator thought that was a fair offer. But Mr R didn't think this fairly reflected the trouble he'd been put to and the impact the error had had on him. So, he asked for his complaint to be referred to an ombudsman.

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'm aware that I've summarised the events of the complaint. I don't intend any discourtesy by this - it just reflects the informal nature of our service. I've concentrated on what I think are the key issues. I can assure Mr R and NewDay that I've read everything that they've provided. So if I've not mentioned something it's not because I haven't considered it. It's just that I don't think I need to comment on it in order to reach what I think is a fair and reasonable outcome.

I can see Mr R feels very strongly about what's happened here. That's clear from what he's said to both us and NewDay. And that's not surprising. I can appreciate how upsetting it must have been for him to have discovered that incorrect information had been recorded on his credit file and for this to impact on his employment. So, in thinking about whether NewDay has acted fairly and reasonably in offering to put things right here I've thought carefully about the impact this all had on Mr R.

NewDay has offered him £100 to reflect the impact this mistake had. It's clear he doesn't think this adequately reflects his inconvenience and experience. But I'm afraid I have to tell Mr R that I agree with our investigator's view. I'm persuaded that £100 is a fair amount of compensation for NewDay to pay for the distress and inconvenience he suffered. Indeed, there's not a great deal I can add to what our investigator's already told Mr R. I think they set out the position very clearly and thoroughly.

The amount NewDay offered to compensate Mr R is towards the lower end of the range for the category that this service would describe as "moderate". I think that's a fair description of the difficulties Mr R had here. And I don't think they warrant a higher figure.

Although incorrect information had been recorded about Mr R since May 2015, it seems he only became aware of the error in October 2018 when a credit search was undertaken by his employer. That suggests to me that this issue didn't present any problems to him until that point.

I can appreciate that the incorrect information impacted Mr R's employment. But I haven't seen any evidence of any losses that he may have incurred during the time that this problem remained unresolved.

I've thought about the length of time it took for this issue to be resolved. I can see that Mr R raised a complaint with NewDay in December 2018. There was communication between both Mr R and NewDay after this date until March 2019 when NewDay issued its final response and confirmed it would correct his credit file.

I think that once NewDay was aware of the error, it acted promptly and correctly in accepting responsibility. I'm not seeking to downplay the difficulties or frustrations Mr R had – far from it. But I can understand why this error took around three months to investigate and resolve.

I recognise that Mr R would have spent some time in trying to understand how this error was caused and in trying to resolve matters with NewDay. But, on balance, I think what NewDay has offered by way of compensation makes up for that. I'm satisfied it's a reasonable amount, which is in line with our approach in similar scenarios.

NewDay hasn't been able to give Mr R an explanation as to how the error with his credit file occurred. And I can understand why he'd want that. I've seen the efforts our investigator went to in order to try and get that explanation from NewDay.

In response to that NewDay has stated that, because Mr R hasn't held an account with it, it's unable to explain how information about him came to be recorded on his credit file. I think that's a candid and fair admission in the circumstances. I realise that it doesn't go into the level of detail Mr R wanted, or expected. But impartially, I don't think NewDay can say anymore about this error because it's clear that it doesn't know what happened here.

There's no evidence that Mr R has been the subject of fraud. So, I agree with our investigator that the most reasonable, and plausible, explanation of why this happened is human error. And as our investigator stated it isn't possible to conclude whether this error was caused by NewDay or a credit reference agency.

In conclusion, while I acknowledge Mr R's strength of feelings about this complaint, I think the overall compensation offered by NewDay is fair in the circumstances. So I won't be ordering it to pay any more.

my final decision

My final decision is that I uphold this complaint in part only to the extent that NewDay Ltd should pay Mr R £100 to resolve this complaint. But other than this I don't need it to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 February 2020.

Julie Robertson
ombudsman