

complaint

Miss D complains about the adverse information that Shop Direct Finance Company Limited has recorded on her credit file.

background

Miss D has an account with Shop Direct. She complained to this service in 2016 about the interest that was charged on her account. In response to that complaint, Shop Direct refunded interest applied to the account between September 2015 and July 2016 (totalling £102.03) and paid Miss D a total of £200 for the distress and inconvenience that she'd been caused by its poor service. But she became aware late last year that Shop Direct had recorded adverse information on her credit file so she complained again to this service and a separate complaint was set up.

The investigator recommended that this complaint should be upheld. She said that Shop Direct had confirmed that the only entries it had recorded on Miss D's credit file were for October and December 2015 (relating to payments that were requested but not received in August and October 2015). And Shop Direct has accepted that it made mistakes in its dealings with Miss D so it refunded interest and paid compensation. The interest refund covered a period starting in September 2015 which the investigator said showed that Shop Direct hadn't dealt with Miss D in the appropriate way and had caused confusion with her account at that time. The first payment that Shop Direct had recorded as 'late' was missed in August 2015 and the investigator thought it to be very likely that it was a result of the same problems that led to the interest refund from September 2015. So she recommended that Shop Direct should remove the adverse information from Miss D's credit file and pay her £150 compensation for the trouble and upset that she was caused.

Shop Direct said that it hadn't recorded any adverse information on Miss D's credit file. But the investigator said that Miss D's credit file shows "UC" and "QY" markers. So she recommended that those markers should be changed to "OK" for October and December 2015 and that Shop Direct should pay £150 compensation to Miss D. Shop Direct says that Miss D didn't make the minimum payment of £10.98 that was due in August 2015 and that her variable direct debit wasn't set up until after the payment due date. And it says that her account was also in arrears in October 2015. So it says that the markers are a true reflection of how the account was maintained and it asks for this complaint to be considered by an ombudsman. Miss D says that the markers have delayed her mortgage application and have made her mortgage more expensive. So she says that Shop Direct should pay her more compensation than the investigator has recommended.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss D accepted a refund of interest and compensation totalling £200 because of the poor service and unclear information that she'd received from Shop Direct in connection with her account. I'm unable to reconsider those issues because she accepted that settlement - but Miss D has made a separate complaint about the markers that Shop Direct has recorded on her credit file.

Shop Direct says that those markers don't relate to the payments that led to her original complaint and were recorded because her account was in arrears. But Miss D's original complaint related to poor service and unclear information that she received from Shop Direct about the payments that were due on her account. The markers weren't considered as part of Miss D's original complaint – but, if they hadn't been, I consider it to be more likely than not that they would've amended as a result of that complaint. I consider it to be more likely than not that the August and October 2015 payments were affected by Shop Direct's unclear advice and that the arrears are a result of the unclear advice that Miss D was given about the payments that were due on her account. I don't consider that the current markers are a true and accurate record of Miss D's account. So I consider that it would be fair and reasonable in these circumstances for the markers to be amended to show as OK for October and December 2015.

These events have caused further distress and inconvenience to Miss D and I consider that it would be fair and reasonable for Shop Direct to pay her a further £150 compensation for that distress and inconvenience. But I'm not persuaded that there's enough evidence to show that the difficulties that Miss D has experienced with her mortgage application were caused solely and exclusively by the markers that were recorded by Shop Direct. So I'm not persuaded that a higher award of compensation is justified in these circumstances.

my final decision

For these reasons, my decision is that I uphold Miss D's complaint. And I order Shop Direct Finance Company Limited to:

1. Amend the markers that it has recorded on Miss D's credit file for October and December 2015 to show as "OK".
2. Pay a further £150 compensation to Miss D to compensate her for the distress and inconvenience that she's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 8 May 2018.

Jarrold Hastings
ombudsman