

## **complaint**

Miss G complains that Clydesdale Bank Plc trading as Yorkshire Bank incorrectly transferred an account she had repaid to a debt collector, who then recorded incorrect information on her credit file.

## **background**

Miss G had an account with Yorkshire that was in default. She attempted to repay the full amount. Although Yorkshire led her to believe that the payment was successful, it had actually been declined.

Miss G later repaid the full balance in two payments. But she was then contacted by a third party debt collector saying there was an amount still owing. The debt collector also recorded another default on Miss G's credit file.

Miss G says that she had a mortgage application declined because of the information recorded by the debt collector. She says that she's gone to a lot of trouble to sort this out and it's caused her upset.

Yorkshire arranged for the second default to be removed and offered Miss G £175 for passing her account to a debt collector. Miss G thinks that Yorkshire continues to record incorrect information about her account and that the amount it offered is insufficient.

Our investigator thought that Yorkshire's offer of compensation was fair. And she didn't consider the information it had recorded on her credit file was wrong. Miss G didn't accept what the investigator said.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. For the avoidance of any doubt, I'm not considering a complaint about the original application of the default by Yorkshire.

I accept that Yorkshire made mistakes here. It incorrectly told Miss G that the first payment was successful, when it wasn't. It then transferred the account to a debt collector. It ought to have taken steps to stop the debt collector taking any action once Miss G had repaid the debt.

The debt collector contacted Miss G and attempted to collect the debt she'd already repaid. She experienced unnecessary inconvenience in sorting this matter out – and this wasn't straightforward. There was also another default recorded incorrectly on her credit file, which has now been removed. I accept this would have added to her upset. But I don't consider I have enough evidence to say it was this incorrect information that led to her mortgage application being declined.

Miss G would have been relieved that she had put the debt with Yorkshire behind her. But she then received contact from a debt collector and had a default recorded on her credit file incorrectly. This wouldn't have happened if Yorkshire had treated her fairly. Miss G has explained how upsetting she found this. She has also had to spend some time in sorting this matter out. After listening to what Miss G has said about the impact of this matter on her, I

consider that £300 would be a fair amount to reflect the trouble and upset this matter has caused to her.

I don't consider the information Yorkshire is now recording on Miss G's credit file is incorrect.

**my final decision**

My final decision is that Clydesdale Bank Plc should pay Miss G £300 for any trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 7 March 2017.

Ken Rose  
**ombudsman**