

## **complaint**

Mr A complains that London Community Credit Union Limited (LCCU) recorded incorrect information on his credit file and that this has affected his ability to obtain credit. He'd like them to amend his credit file and pay compensation for the inconvenience he's suffered.

## **background**

In December 2015 Mr A took out a loan with LCCU but in March he noticed they'd reported that loan to the credit reference agencies (CRA's) twice and it was now showing as two loans. He also noticed that one of the loans was showing late payments but he had made all his payments on time. He complained to LCCU and they accepted that they had made a mistake by recording the loan twice and they notified the CRA's. But they didn't remove the late payment history and were unresponsive. So Mr A brought his complaint to us.

Mr A provided evidence that he'd made payments where LCCU said he hadn't and our adjudicator agreed with him. The adjudicator noticed that the duplicate loan also appeared to still be on Mr A's credit file so he asked LCCU for an explanation. But as none was received the adjudicator issued his view on this complaint.

The adjudicator asked LCCU to amend Mr A's credit file and remove any record of late payments or a duplicate loan. He also thought they should pay Mr A £200 for the inconvenience he had suffered as a result of the errors LCCU had made.

But LCCU disagreed. They said that as they were a not for profit organisation they did not have surplus funds to pay the compensation the adjudicator had suggested but they did offer Mr A £25 as a goodwill gesture. But Mr A declined it and asked for this review.

## **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 agree with the adjudicator's view and for the same reasons.

LCCU don't dispute that they were wrong to make duplicate entries for the loan or that they wrongly report missed payments on it.

Their communication has been poor throughout the course of this complaint and they've consistently failed to fix the problems that have been clearly identified. The complaint should not have got to this stage and I hope that LCCU are able to reflect on this and put in place procedures that will prevent similar issues happening again. If they fail to do so then they can expect this service to make similar awards against them in the future.

It's difficult to assess the financial loss Mr A has incurred but he's obviously spent significant time providing information for this complaint and I appreciate he may have been disadvantaged when looking for credit. LCCU's position is that they are a not for profit organisation and don't have surplus funds but it would be unreasonable not to compensate Mr A for the mistakes made or to treat the reward of that compensation any differently than I would for a profit making finance provider.

I think £200 is a fair and reasonable sum to compensate Mr A for the inconvenience he's suffered.

**my final decision**

For the reasons given above, I uphold this complaint and I am telling London Community Credit Union Limited to:

- Remove any record of a second loan from Mr A's account
- Remove any record of late payment from his credit files
- Pay Mr A £200 compensation for the inconvenience they've caused him

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 September 2017.

Phil McMahon  
**ombudsman**