

## **complaint**

Mr S complains that Paragon Finance PLC (trading as Moorgate Loan Servicing) isn't reporting his account correctly. He says it should be reported with its original credit limit. He wants his credit file amended.

## **background**

Moorgate said in its final response that when the credit card agreement was bought there was no credit limit on the account. It's reported the conduct of the account to credit reference agencies. The credit limit is set to zero as there's no credit limit set on the credit card. Mr S' credit file is accurate.

Our adjudicator felt this complaint should be upheld. He said:

- Moorgate says the credit card agreement was bought by a third party from the original creditor and Moorgate now manages it.
- By the time the debt was purchased by the third party the account's credit limit had been withdrawn and regular monthly payments agreed to repay the debt. The payments Mr S has made have been recorded with credit reference agencies. But it also recorded the agreed number of payments required to pay off the debt.
- Moorgate has agreed to update the credit report as it now accepts it's unusual to report a repayment period for a credit card. This will be removed and the word "loan" removed. It's agreed it should be referred to as a "debt" or "credit card agreement". That's fair.
- This debt isn't a loan and was incurred on a credit card. And it should be reported as such. So, Moorgate's not acting unfairly or incorrectly reporting the card's credit limit even though at the moment there is no credit limit on the account as it's just collecting the outstanding debt. Although Mr S is unhappy with this Moorgate is reporting his account accurately. To ask it now to report the account's original £7,000 credit limit as Mr S would like wouldn't be a true reflection of the account.
- Moorgate should therefore update its credit reporting as it's offered to do.

Mr S doesn't agree. In summary he says he doesn't understand how a debt can be reported against a zero credit limit. Moorgate's stance isn't fair as it's not a credit card company and he hasn't entered into a credit agreement with it especially not for a credit card. He's asked for an ombudsman review.

Moorgate says it has now edited Mr S' credit record accordingly.

## **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 conclusions for the same reasons.

Moorgate must accurately report the conduct of Mr S' account. It's a credit card account and at present it has no credit limit. That's what must be reported.

Moorgate says it's already amended Mr S' credit file to remove references to there being a loan and to the agreed payments he will make to pay off the debt. That's fair. It's also reasonable for it to report the payments Mr S has made.

Taking everything into account I don't think I can reasonably require Moorgate to report the debt as a loan or say the credit limit is £7,000 as Mr S would like.

Overall, although I recognise Mr S' frustration, I'm satisfied the amended credit file is now an accurate record of the account's conduct. And I don't think Moorgate can fairly be asked to do any more than it's already done or agreed to do.

### **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 December 2016.

Stephen Cooper  
**ombudsman**