

complaint

Ms E complains that Link Financial Outsourcing Limited has recorded a debt on her credit file when it had agreed to write off the debt. Mr E would like her credit file amended and compensation for her distress and inconvenience in sorting this matter out and for the effect it's had on her ability to obtain credit.

background

Ms E says her debt was written off in 2014 but Link has continued to record the debt on her credit file. She says that mistake has affected her ability to obtain a variety of different types of credit.

Link says it didn't agree to write off the debt but has made a commercial decision not to pursue Ms E for it. It says Ms E is still liable for the debt and it can't report the debt as settled to the Credit Reference Agencies (CRA's), as that's not an accurate reflection of the account.

Ms E brought her complaint to us and our investigator upheld it. She thought Ms E's credit file didn't reflect accurately the position here. The investigator thought the default date was correct but the balance amount wasn't. She thought Link should pay Ms E £50 compensation to reflect the inconvenience she was caused in trying to sort this out and update her credit file to show the debt as being satisfied.

Ms E doesn't accept that view and asked me to review it. She says she should be awarded far more compensation.

Link also doesn't accept that view and doesn't accept it's made a mistake.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the overall conclusion that Link hasn't reported Ms E's account position accurately and should pay compensation for the inconvenience caused to her in trying to sort matters out.

I think Ms E believes this debt had been written off by Link when in fact Link had decided not to pursue it. I think there is a difference between the two. I accept Ms E may not have appreciated that but I can't fairly hold Link responsible for that. And I don't think Link has made a mistake by recording a default on Ms E's credit file until 2019.

I understand why Link would not wish to report to the CRA's that the account is settled. And I appreciate its view that to do so would not distinguish between customers that pay off their debt in full. But I also think that by recording on the credit file that Ms E still owes the balance is also misleading as I think that suggests Link is still actively pursuing that debt when it says its not. I'm satisfied that a credit file should be an accurate reflection of the true position. In this case I think that Link has no intention of pursuing this debt.

I don't think that the debt should be shown as settled but as partially satisfied. I think that more accurately reflects the position and I also think is in line with guidance given from the CRA's.

I appreciate Ms E says this has had an impact on her ability to obtain credit but having looked at her credit file I'm satisfied there is other adverse data recorded on it. So I can't fairly conclude this was the only reason her credit applications were affected. And as Ms E knows, providers of credit look at a variety of factors before deciding to lend.

I agree with the investigator that Ms E was caused some inconvenience in trying to sort matters out and also agree that Link should pay £50 compensation. I think that amount fairly reflects the level of that inconvenience.

my final decision

My final decision is that I uphold this complaint. I order Link Financial Outsourcing Limited to pay Ms E £50 compensation and also update her credit file to reflect this debt as partially satisfied and to backdate that information to February 2014.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 8 December 2018.

David Singh
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