

complaint

Miss M wants Idem Capital Securities Limited to correct her credit file, and compensate her for the trouble and upset its inaccurate information has caused.

background

Idem bought Miss M's debt from a third party in March 2012. There was a formal repayment arrangement in place for £80 a month. In January 2013 a debt management company, on behalf of Miss M, requested a reduction in the monthly repayment to £20. Idem agreed to this.

Miss M says Idem has reported incorrect information to the credit reference agencies. She wasn't made aware the change to a £20 repayment would result in arrears being recorded on her file and she now can't get a mortgage until 2021.

Our adjudicator didn't recommend the complaint should be upheld. He said Idem were reporting accurately how the account was run. And when it accepted the reduced payment offer it made clear to Miss M's appointed debt management company this wasn't a new formal arrangement, and it would still have to report the arrears. Also five payments were missed and this was correctly reported.

Miss M disagreed and asked for an ombudsman's review. She asked to make sure this considered the value of the debt; the time taken to repay it and the fact she settled it in full in October 2015; why she needed the formal repayment arrangement with the third party in the first place; the fact Idem hadn't completed a review so how could it be fair it reported such critical information; the fact it did this for three years without telling her; and the impact this will now have to 2021.

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 M has raised a number of questions and I understand why, but I can comment only on what I think is material to the outcome of this complaint against Idem. Our rules mean I can only review what the actions of the business this complaint is about – so not the original owner of the debt, or the debt management company. I understand the sale of the debt to Idem has been looked at separately under complaint reference 17434254.

Having looked at all the evidence, I've reached the same conclusion as our adjudicator and for the same reasons. I know Miss M will be disappointed about this but I haven't found enough compelling evidence to change the proposed outcome.

Based on the reduced repayment agreement reached between Miss M and Idem, it has reported accurately to the credit reference agencies. And it made this clear in the letter it sent to her appointed debt management company when it accepted the offer of £20 a month.

So it follows I can't instruct it to change Miss M's credit file in any way. To reach this decision I have considered all the points she raised in her appeal to our adjudicator's view. But they don't change my conclusion. So it follows, as I don't think Idem has made any reporting errors, I make no award for compensation.

Miss M can of course raise a complaint directly with the debt management company if she's unhappy with the sale or administration of her plan. And if she's unhappy with its response she can bring that complaint to us.

my final decision

My decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 22 August 2016.

Rebecca Connelley
ombudsman