

complaint

Mr C complains Paragon Finance PLC trading as Moorgate Loan Servicing ("Moorgate") are reporting incorrect information for his account to Credit Reference Agencies (CRA's).

background

In September 2012 Moorgate bought Mr C's account from another bank. That account, whilst with the original bank, was the subject of a complaint to this service. I issued a Final Decision in that complaint on 1 June 2016 which Mr C accepted. I directed the original bank to *"let the company they sold the debts to know that the restructured agreements should be recorded on Mr C's credit file from September 2012 onwards"*. Mr C says he's made Moorgate aware of the direction in my decision but they're refusing to amend the records with the correct information. So, he believes the markers on his credit file from September 2012 are wrong.

Moorgate say when they bought the account it wasn't in arrears and there was an agreement to repay £130 per month. But that agreement came to an end in September 2012 when they received and accepted new proposals for payment from Mr C. The proposal, for £53.92 per month, was made through a debt management charity. Moorgate say they've been reporting this arrangement which shows the account is in arrears and under a debt management plan.

Our adjudicator didn't uphold this complaint. He found the account was in arrears as the payment due under the restructured agreement with the original bank was no longer being met. And, as the new repayment schedule, proposed by a debt management charity, was agreed by Moorgate, it was correct to record this as a Debt Management Plan. And he didn't think it was unfair of Moorgate not to default Mr C's account as they acknowledged he was in financial difficulties and were still accepting his payments.

Mr C didn't agree and asked for an ombudsman's decision.

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 have sympathy for the situation Mr C finds himself in. He's taken a responsible and constructive approach towards this account, which is to his credit. But, whilst I appreciate Mr C feels strongly about this issue, having considered everything, I've come to the same conclusions as the adjudicator and for the same reasons.

The adjudicator has given a full summary of my earlier decision and the background to this complaint in his letter giving his opinion. So, I won't repeat it here. Moorgate weren't a party to that decision, so I couldn't make any directions dealing with the reporting of the account by them. But the original bank couldn't report on Mr C's account after its sale to Moorgate. So, I made the direction I did, to ensure as far as possible, the corrective information for the restructured agreement was recorded by Moorgate. I explained that Moorgate should be informed *"the restructured arrangements should be reported from September 2012 in the same way as above, if and until a further agreement between the new debt owner and Mr C has been reached"*. It now seems *"a further agreement"* was reached shortly after the sale in 2012. But, at the time of the decision, I wasn't aware of that.

From the start of their ownership Moorgate received the lower payments of £53.92 from Mr C. And a further agreement to pay £41.37 per month was reached, through the debt management charity, in 2014. So the payments under the restructured agreement with the original bank weren't being met and new agreements were made. So, I don't think Moorgate have done anything wrong in reporting the information they have to the CRA's – it's *accurate*. And it would've been *inaccurate* to report otherwise. So, I can't reasonably ask Moorgate to take any further action.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 June 2017.

Annabel O'Sullivan
ombudsman