

complaint

Mr M complains The Co-operative Bank p.l.c. failed to update his credit record after he had been discharged from bankruptcy. He also complains about the way the bank handled his complaint.

background

Mr M had credit card accounts with the bank.

Mr M was declared bankrupt in 2009. In 2010, his bankruptcy was discharged. Mr M says at that point other bank creditors update his credit file. But that Co-op Bank failed to do so.

Mr M tried to apply for credit and was declined. He then discovered that Co-op Bank hadn't updated his credit file.

When he complained to Co-op Bank it said that as it hadn't been notified it hadn't update his file. It did update his file in November 2014.

Mr M says no one notified the other banks and they updated his credit file and that Co-op Bank should have monitored the insolvency register and updated his credit file once the discharge was on the register.

He is unhappy with the way the bank responded to his complaint. He thinks it was unprofessional and may have tried to avoid answering his letters.

The adjudicator did not recommend the complaint should be upheld. In his view the bank wasn't required proactively to check to see if Mr M had been discharged from bankruptcy. Because of this, he couldn't find that the Co-op Bank made any error in not amending Mr M's credit file sooner than it did. He was also satisfied that the bank responded to Mr M's complaint letters.

Mr M disagrees. In summary he says:

- showing the account as being in default after the discharge from bankruptcy creates a misleading impression;
- the discharge was an automatic process and neither he nor the creditors are informed so the onus is on the creditors to monitor the status of the bankruptcy – the proof that this is what creditors should do is that the twelve other bank creditors all updated his credit file in October 2010, without any communication of the discharge either from the official receiver or from him; and
- the bank deliberately ignored his letter of 28 April 2015 and refused to respond.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr M has referred to the action taken by other banks. Just because another bank may have actively monitored the insolvency register doesn't mean that Co-op Bank was wrong not to do so. I also note that in one email Mr M provided to this service he says the credit reference agencies told him there were nine credit card companies which had failed to update the status of his credit card accounts.

Even though I can see why Mr M would have liked it to monitor the bankruptcy register it isn't required to do so by the relevant regulator the Information Commissioner's Office (ICO). The Co-op Bank did update the status of his account once Mr M had informed it that he had been discharged. This is what the ICO requires it to do. I can't agree that it therefore did anything wrong.

I am sorry Mr M didn't receive some of the letters sent by the bank. But as its records show these were sent I don't think it would be fair to hold it responsible for this. I don't find any of the letters sent by the bank to be unprofessional.

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 M to accept or reject my decision before 30 December 2015.

Nicola Wood
ombudsman