

## **complaint**

Mr S complains, in summary, that Northern Rock (Asset Management) plc ('NRAM') wrongly told him that his name had been taken off the mortgage account he held jointly with his wife, from whom he had separated. Later he discovered that that was not correct, and his credit rating was adversely affected because his (by then) ex-wife had subsequently missed payments on the account.

## **background**

It is not disputed that, when Mr S enquired, NRAM wrongly told him that his name had been removed from the account. No arrears had been registered at that point. Subsequently arrears developed and were registered on Mr S's credit reference file.

## **our adjudicator's view**

Our adjudicator did not recommend that the complaint should be upheld. She said that Mr S had still been liable for the loan and the credit information had to be registered against his name as well as his ex-wife's. NRAM had not acted wrongly by not allowing Mr S's name to be taken off the joint account. She considered that NRAM's offer of £100 of compensation in respect of the incorrect information given to Mr S was fair and reasonable.

Mr S did not agree. He said that if he had been aware that he was still responsible for the mortgage, the missed payments would not have occurred. He emphasised the difficulties and stress which had resulted from the effect of the missed payments on his credit rating, and said he could not see that £100 was adequate compensation.

## **my provisional findings**

After considering all the evidence, I issued a provisional decision on this complaint to Mr S and NRAM on 15 April 2013.

Like the adjudicator, I did not consider that NRAM had been under any obligation to remove Mr S's name from the account. In fact he had still been liable for any debt on the account.

However, I could not see that it was fair or reasonable for the arrears to be recorded against Mr S's credit file when he had had no idea that they were developing and had had no opportunity to make the payments. That registration does not give an accurate reflection of his management of the account. NRAM did write to Mr S about the arrears at the time – but to his original address, where he no longer lived. I could understand that, having been told his name had been taken off the account, Mr S would not have felt under any obligation to take any further interest in the account or to ensure NRAM had his most recent address.

I considered that, if NRAM had acted correctly, Mr S would have been told his name would remain on the account. In fact, the arrears showing on Mr S's credit record are *not* in respect of the substantial main mortgage account. They are only in respect of a few payments towards a much smaller linked unsecured loan. Given the way the loan was managed whilst Mr S knew he was responsible, and the comparatively small sums involved, I considered it was more likely than not that, if he had known he remained jointly responsible, he would have continued to monitor the account and been able to ensure payments were made. The account would not have been in arrears and there would not have been adverse entries on

his credit record. In that situation I therefore considered that removal of the relevant entries would be appropriate, together with a slightly increased sum in compensation.

Subject to any further representations by Mr S or NRAM, my provisional decision was that NRAM should:

- arrange for record of the late payments to be removed from Mr S's credit record; and
- pay Mr S £200 for distress and inconvenience.

Mr S expressed satisfaction with my proposal. NRAM accepted it regarding compensation but expressed concern about my recommendation on the credit record. It said that Mr S had been aware from September 2011 that the account was in arrears and he was liable, but there was no indication that he had then started to make payments. Therefore it argued that any amendments to the credit record should only cover March 2010 to September 2011.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

In fact the credit report for Mr S, which I have seen, shows late payments on the loan *only* between March 2010 and September 2011. It shows no late payments before or since then. It also shows that the account is settled. In that situation I have not changed my opinion about what would be the fair outcome to this complaint.

### **my final decision**

My final decision is that I uphold this complaint. In full and final settlement I order, Northern Rock (Asset Management) plc to:

- arrange for record of the late payments to be removed from Mr S's credit record; and
- pay Mr S £200 for distress and inconvenience.

Hilary Bainbridge  
**ombudsman**