

complaint

Mr P complains that Premium Credit Limited (PCL) has undertaken searches of his credit file, for which he had not given his consent.

background

Mr P initially complained to us in November 2018 about one search. He then complained in March 2019, saying that PCL had undertaken two unauthorised searches. He subsequently supplied to us an extract (dated April 2019) of his credit file, which showed that three searches had been undertaken by PCL since April 2018: in October 2018, February 2019 and April 2019.

PCL supplied information to us which indicated that:

- The October 2018 and April 2019 searches related to credit agreements made between it and Mr P, in connection with products he was acquiring from a financial services provider (Provider 1)
- The February 2019 search related to a credit agreement made between it and Mr P, in connection with a product he was acquiring from another financial services provider (Provider 2)

In a phone call with our adjudicator, Mr P agreed that the searches relating to Provider 1 were justified. But Mr P restated that he had not given his consent to the February 2019 search, relating to Provider 2.

Provider 2 told us:

- Mr P had acquired an annual product from it in late February 2017
- This product was renewed in late February 2018
- In early February 2019, Mr P contacted it to say that he did not want the product renewed, and so it was cancelled on its renewal date
- Four days after the renewal date, Mr P contacted it to say that he wanted to continue with it, and to ask why it had not been renewed
- Mr P insisted that he had not contacted it in early February 2019
- It re-instated the product, and notified PCL accordingly, and it understood that Mr P signed a new credit agreement with PCL

PCL confirmed to us that it made a credit agreement with Mr P, dated five days after the Provider 2 product renewal date in February 2019. This was also the date on which PCL undertook its February 2019 search of Mr P's credit file.

PCL told us as well:

- The terms and conditions of its credit agreements with Mr P include a section saying he agreed that it may search his records at credit reference agencies
- Provider 2 gave a notice containing this information to Mr P, when he was in the process of acquiring his product (PCL supplied to us a copy of this notice, signed by Mr P in February 2017)

Our adjudicator did not think the complaint should be upheld. She was satisfied that PCL had a legitimate business reason to undertake its February 2019 search of Mr P's credit file.

Mr P disagreed with our adjudicator, saying that PCL did not inform him in writing that it was going to undertake this search. He also questioned why PCL searched in 2019, but did not do so when the product was renewed in February 2018? And so this complaint was referred for review by an ombudsman.

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 find that I have come to the same conclusion as our adjudicator, for similar reasons.

Mr P and Provider 2 disagree over whether he asked it in February 2019 not to renew his annual product. Provider 2 told us that it re-instated the product, but PCL made a new credit agreement with Mr P in connection with the re-instated product.

Because a new credit agreement was made, I agree with our adjudicator that PCL had a legitimate business reason for undertaking this search. And Mr P consented to this search, as part of the process of signing up to this new agreement.

The credit file extract supplied to us by Mr P only shows searches of his credit file between April 2018 and April 2019. So, we have no evidence showing whether or not PCL searched in February 2018. But, even if it did not search then, it still had a legitimate business reason to search in February 2019 – which is what Mr P's complaint is about.

PCL's credit agreement with Mr P did not commit it to telling him in writing when it was going to undertake searches (unless it decided not to proceed with the agreement, on the basis of the information it obtained). And so, if PCL did not write to Mr P about its search in February 2019, this was not an error on its part.

my final decision

For the reasons explained above, my final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 29 August 2019.

Roy Mawford
ombudsman