

## **complaint**

Mrs A complains that NewDay Ltd (trading as Debenhams) reported incorrect information about her credit record which prevented her from remortgaging.

## **background**

Mrs A applied for a joint remortgage in February 2016. The potential lender told her that it could not agree as she had one or more outstanding defaults. She found out that NewDay Ltd was still reporting that she had defaulted on a credit agreement. But she had told it in 2014 that an application made then in her name was fraudulent. It had accepted this and had written to her about it at the time. No amendment had been made to her credit record. It offered to pay her £250 for the distress and inconvenience caused.

The adjudicator did not think the compensation was sufficient and recommended that £600 be paid. She said that:

- There were two other defaults showing on Mrs A's credit record in February 2016. Both arose from fraudulent applications made at the same time as the one with NewDay.
- Although one of these had been removed by March 2016 the other had not.
- She was unable to conclude that NewDay was solely responsible for Mrs A not being able to remortgage.
- Mrs A had not contacted NewDay about this until later in February 2016. Although she said she made other mortgage applications after this she had not been able to provide evidence. Her existing mortgage lender had said it had no record of an application to change the current mortgage at that time.
- NewDay had shown it had sent letters to Mrs A in March 2016 confirming again the position with the default. She could not say why Mrs A had not received anything in the post but could not hold NewDay responsible for this.
- It had accepted that there were delays in altering her credit record as it had to 'buy back' the original debt from another party. This was completed on 10 May 2016.
- As she thought this could have been done more quickly she said that the compensation should be increased.

Mrs A did not agree and wanted her complaint to be reviewed as she maintained that NewDay was responsible for her not being able to remortgage. She said that she had to sell the property as her subsequent business income was not sufficient to support a remortgage. NewDay did not agree to pay the additional compensation and thought that its original offer was fair.

## **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 understand that, as Mrs A was self employed, she wanted to have an agreement in principle to a remortgage before the end of the tax year on 5 April 2016. It seems that she could then rely on her prior two good years of income. I've noted that the existing mortgage was over 120 months from February 2009. I've additionally seen a case note from that mortgage lender dated 11 April 2016 saying that it had been told then that Mrs A was on track to repay the interest only mortgage from savings – and possibly looking to remortgage.

It's clear Mrs A was the victim of fraud in 2014. She confirmed the position to NewDay then and I agree that it should have amended her credit record. She says that she had received further letters about this debt - but that on every call she made was told that the account was closed and to ignore this.

I agree with what the adjudicator's said. It is not clear that this default was the only reason that the remortgage was not possible. There were other defaults. And one of those parties has confirmed that the adverse information it reported could still have been showing for six weeks from March 2016. So I'm not persuaded that a full mortgage application would have otherwise been successful within the timescale Mrs A intended. And that application might still have been influenced by what she says was less favourable current business income. So I'm unable to conclude that NewDay was fairly responsible for any financial loss.

But I think Mrs A should be compensated for the distress and inconvenience of having to wait until 10 May 2016 for the default to be removed. I take into account that this was raised with NewDay again in February 2016 and in follow up phone calls. I can't treat its internal issues then as any mitigation - especially given how long this had been outstanding. I've taken account of our published guidelines on trouble and upset and I think that the compensation recommended is fair here.

### **my final decision**

My decision is that I uphold this complaint in part and I order NewDay Ltd (trading as Debenhams) to pay Mrs A £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 5 June 2017.

Michael Crewe  
**ombudsman**