

complaint

Mr G complains that Tesco Personal Finance PLC has recorded information on his credit file incorrectly. Mr G wants compensation for his distress and inconvenience.

background

Mr G tells us he asked for an early settlement figure from Tesco for his outstanding loan. Tesco told him it was around £23,232. But Tesco has recorded the total outstanding balance on his credit file which is around £7,165 more. This has caused Mr G distress and inconvenience and he wants around £7,165 as compensation.

Tesco said Mr G asked for an early settlement figure in March 2015. He was sent the letter saying the total amount needed to repay his loan was £23,232.28. This figure took account of the interest rebate of around £7,165. The letter said this figure was valid until 23 April 2015. Tesco said Mr G didn't settle the loan by that date, so it reported the outstanding balance to the credit reference agency. It said the figure on the credit file was correct and that it was its policy to report the outstanding balance on loans to credit reference agencies.

Our adjudicator thought the complaint shouldn't be upheld because Tesco hadn't given wrong information to the credit reference agency. The figure was correct because it was the balance of the outstanding loan if it ran to its full term. He also suggested Mr G could add a Notice of Correction to his credit file. Mr G disagreed with the adjudicator's view and asked for the matter to be looked at again.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided to agree with the adjudicator for broadly the same reasons.

I do understand the point Mr G is making – he doesn't think the credit file shows the balance as it is now. Instead it shows a future balance. And he thinks this is unfair.

But I've read Tesco's letter to Mr G. And it clearly says the reduced balance of £23,232.28 is only valid if he pays that sum on or before 23 April 2015. I've also looked at the terms and conditions of his credit agreement. They say if he doesn't settle the loan in one payment for a set amount, then the loan doesn't end until he's paid everything back.

As Mr G hadn't settled his loan early, he had to pay everything back. So the balance went back to the full outstanding balance on the loan. I think this is in line with the terms and conditions of the agreement. And Tesco's letter was clear about how long he had to pay the reduced settlement figure.

Taking everything into account, I don't think Tesco has done anything wrong here. As the loan wasn't settled early, the credit file reflects the true position – that Mr G still owes the full balance.

my final decision

My final decision is that I do not uphold this complaint and I make no award against Tesco Personal Finance PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 November 2015.

Amrit Mangra
ombudsman