

complaint

Mr M complains that Voyager Alliance Credit Union Limited ("Voyager") incorrectly applied a default on his credit file in 2014.

background

Mr M had a loan that was defaulted in 2007. He says the default should've been removed from his credit file now. So he wants it removed. He says he has an ongoing payment arrangement in place under which he is paying Voyager £5 a month towards the debt.

Voyager accepts that the default shouldn't have been added to Mr M's file in 2014. But it has refused to remove it until the debt is settled.

Our adjudicator thought that the information Voyager has recorded isn't accurate. As the default should only be recorded for a six year period, he said it should remove the default from Mr M's credit file. But it should record the fact that Mr M has an ongoing arrangement to pay it £5 a month towards the debt. He also suggested that Voyager should pay Mr M £250 for the trouble this matter has caused him.

Voyager has agreed to amend Mr M's credit file. But it says it's only prepared to pay him £150 for the inconvenience caused. It points out that it has already paid him £65 to cover payments he says it has made, that it hadn't received. So I've been asked to review this complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I also think that Mr M's credit file should accurately reflect his circumstances. So Voyager should remove the default from Mr M's credit file.

Mr M says the incorrect information has meant that he has been punished by Voyager for longer than necessary. I understand why he feels that way, although I don't think Voyager recorded the information to punish him. And I think it's fair and reasonable that his credit file continues to record the fact that he has an outstanding debt that he is paying off at a rate £5 a month. I understand that this arrangement has been in place since 2007.

I think £150 compensation is a fair and reasonable amount to reflect the trouble Mr M has been caused by what happened. I appreciate that he has had to raise a complaint with us to get the matter resolved. And I can see that has caused him some inconvenience. But I think £150 reflects the nature of Voyager's mistake and the extent Mr M has been affected by it.

my final decision

My final decision is that Voyager Alliance Credit Union Limited should remove the default from Mr M's credit file, and record an ongoing arrangement to pay £5 a month towards the debt.

It should also pay Mr M £150 for the trouble this matter has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 December 2016.

Laura Forster
ombudsman