

complaint

Mr K complains that Txtloan Limited (trading as MYJAR) has wrongly recorded late payments on his credit file.

background

Mr K took a £100 loan with MYJAR in 2011. He says that, following financial difficulty, he was unable to repay the loan and went into arrears.

MYJAR wrote off the remaining debt in 2015, but Mr K says he has discovered that late payment markers were put on his credit file. He says that this should not have happened since, at the time, he had a repayment plan and an active standing order set up at his bank.

MYJAR did not accept that it had registered wrong information and so, as things were not settled, Mr K brought his complaint to this service where an adjudicator investigated it. From the evidence, the adjudicator was satisfied that the late markers recorded by MYJAR were an accurate reflection of what had happened on the account – so the adjudicator did not consider that MYJAR had treated Mr K unfairly.

The adjudicator explained to Mr K that he had the option of having the late payment markers replaced by a back-dated default registration. That would result in his credit file becoming clear sooner, but also had other implications for Mr K. On reflection, Mr K did not want to do that.

Mr K still felt that MYJAR had been wrong to record the late payment markers and said, in summary:

- He got into difficulties with the loan a month or so after he took it. He never gave MYJAR his consent to register information about him.
- MYJAR suddenly decided to register this information, even though he had never missed a payment. This is very unfair.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The £100 loan that Mr K took with MYJAR was intended to be a short-term loan. Unfortunately, Mr K was unable to pay it by the due date. I can see that he then made small monthly payments against the balance until summer 2015, when MYJAR refunded all charges and interest and then wrote off the remaining capital balance of just over £60, to close the account.

By then, MYJAR had begun reporting late payment markers for the account. This was to reflect the fact that the loan was not repaid by the contractual due date. That is a separate matter from the monthly repayments that Mr K made under his debt repayment arrangement, and does not mean that MYJAR made a mistake.

MYJAR has told us that it began reporting the account to credit reference agencies in November 2014, under reciprocity arrangements. It removed the default registration, because it accepted there had been some difficulty with Mr K's instalments being passed to it. As well as the late payment markers, it registered his partial repayment of the debt.

Overall, I don't consider that the information registered by MYJAR was wrong or unfair. Whilst Mr K has said that he did not give his consent to any registration of information, that is not the case – the terms and conditions of his loan agreement included provision for that (in section 2 – *Use of Your Information*).

my final decision

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 K to accept or reject my decision before 26 May 2016.

Jane Hingston
ombudsman