

complaint

Mr B complains that Premium Credit Limited has registered a default on his credit file when he had already cancelled his policy.

background

Mr B says he cancelled his insurance policy and the direct debit that was in place. But Premium Credit registered a default on his credit file for a late payment. He says that mistake has meant he's been unable to obtain credit and would like it removed. Mr B says he cancelled the policy before the direct debit was due. Mr B also says that he has reading and writing problems and that Premium Credit should have taken that into account.

Premium Credit says the direct debit failed in August 2018 and was told the following day by Mr B's bank that he had cancelled the direct debit. It says it correctly reported a late payment not a default on Mr B's credit file. Premium Credit says Mr B didn't tell it that the policy had been cancelled and it checked with the insurance company and it told it that Mr B had cancelled the policy after the direct debit was due. It also says it was unaware of any difficulties Mr B has until some months after the direct debit failed.

Mr B brought his complaint to us but our investigator didn't think Premium Credit had made a mistake or acted unfairly. The investigator thought the credit agreement had started in April 2018 and that Mr B had a 14 day cooling off period to cancel it. The investigator thought Mr B had cancelled the direct debit but not the agreement and so Premium Credit hadn't made a mistake by recording the late payment marker.

The investigator didn't think Premium Credit was aware of any difficulties Mr B had about reading and writing and so couldn't make any reasonable adjustments.

Mr B doesn't accept that view and would like the information removed from his credit file.

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 come to the same overall view as the investigator for the same reasons. I realise Mr B will be disappointed by my decision.

I've looked at the agreement between the parties and I'm satisfied that Mr B had a 14 day cooling off period in which he could have cancelled it. I'm satisfied the policy wasn't cancelled within that time period and continued into August 2018 when Mr B says he told the insurance company he wanted to cancel it. I appreciate Mr B says he told the insurance company he wanted to cancel it and that he then cancelled the direct debit which was to be collected by Premium Credit. But I'm satisfied that Premium Credit were not part of that conversation between the insurance company and Mr B and I've not seen any evidence on its records that it was aware of the cancellation. So I think Premium Credit acted fairly and correctly by attempting to take the August 2018 payment by direct debit.

I'm satisfied that as Premium Credit was unable to collect that payment by direct debit, it correctly reported that as a late payment on Mr B's credit file. I'm also satisfied that Premium Credit has a duty to accurately report the position of a customer's account in these circumstances to the Credit Reference Agencies. I should also make clear to Mr B that I've not seen any evidence that a default was registered on his credit file.

I appreciate that Mr B has difficulties reading and writing and I accept in those circumstances a business should make reasonable adjustments. But I'm satisfied that Premium Credit were unaware of those difficulties until some months after August 2018 and so I don't think Premium Credit could have made any reasonable adjustments in those circumstances at that time.

Overall I'm satisfied Premium Credit hasn't made a mistake or acted unfairly. I also can't fairly hold it responsible for any discussions or agreements that may have taken place between Mr B and his insurance company as Premium Credit's involvement was only to collect the direct debit payments.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 September 2019.

David Singh
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