

complaint

Mr G complains that MBNA Limited incorrectly recorded adverse information on his credit reference file.

background

The adjudicator did not recommend the complaint should be upheld. Mr G and MBNA made an agreement for a reduced repayment amount when his financial difficulties began in 2003.

Mr G said that he would have been able to afford the contractual repayments on his loan if he had not been mis-sold Payment Protection Insurance (PPI). Our adjudicator was satisfied the reduced repayment amount was still well below the original contractual amount leaving aside PPI and therefore he concluded that Mr G would still have made an arrangement to pay with MBNA.

Mr G is still unhappy; he says the addition of PPI contributed to his financial difficulties by creating a larger debt and he wants his credit file amended to show a true and accurate position.

After considering all the evidence, I issued a provisional decision on this complaint to Mr G and to MBNA on 18 February 2014. Subject to any further representations by Mr G or MBNA, my provisional decision was that MBNA Limited should:

- Calculate the date when Mr G would have repaid his loan if PPI had not been included in the debt using the actual monthly amounts repaid.
- Amend Mr G's credit record to show the debt was satisfied as of the above date.

Mr G accepts the provisional decision. MBNA did not respond.

my findings

To decide what is fair and reasonable in this complaint, I have considered everything that Mr G and MBNA have provided.

On the basis of the evidence available, I consider it likely that Mr G would still have made an arrangement with MBNA to pay a reduced monthly repayment to his loan. The repayment without PPI was still some £160 more than the amount Mr G paid under the agreement.

Mr G says that the PPI premium inflated the amount of debt he owed and had it not been included in his debt, the amount he owed would have been much lower and been repaid much sooner. Mr G settled the loan in 2009 and received a PPI refund in 2012.

Under the Data Protection Act 1998, MBNA is obliged to ensure the information it reports on Mr G's accounts is processed fairly and accurately. I am satisfied that MBNA did report the information fairly and accurately based on the account position at the time.

Whilst I consider it likely an arrangement to pay would still have been made, I also consider the debt would have been much lower and repaid earlier. So I think the reasonable thing for MBNA to do here is to put Mr G in that position, in terms of the information it has recorded on his credit file.

my final decision

My decision is that MBNA Limited should:

- Calculate the date when Mr G would have repaid his loan if PPI had not been included in the debt using the actual monthly amounts repaid.
- Amend Mr G's credit record to show the debt was satisfied as of the above date.

Andrew McQueen
ombudsman