

## **complaint**

Mr M complains The Royal Bank of Scotland plc failed to update his credit record after he had been discharged from bankruptcy. And has now offered inadequate compensation.

## **background**

Mr M had five credit card accounts with the bank.

Mr M was declared bankrupt in 2009. In 2010, his bankruptcy was discharged. Mr M says at that point other bank creditors updated his credit file. But that RBS failed to do so.

Mr M tried to apply for credit and was declined. He then discovered that RBS hadn't updated his credit file.

RBS didn't have any records of being informed of the discharge from bankruptcy until one of the credit reference agencies raised a data dispute with it in May 2015.

RBS then told Mr M to contact its insolvency team. Mr M wrote to it in June 2015 but RBS says it didn't forward this letter to the appropriate department.

Mr M says he wrote to the bank again in July. This letter seems to have been lost. Mr M wrote again in August 2015. The bank then asked its relevant department to update Mr M's credit file with the correct information, backdating it to 2010.

RBS apologised to Mr M for failing to reply to a letter, for being unable to trace another letter and for not updating his credit file earlier. It paid him £250.

Mr M didn't think that was sufficient compensation. He has been paid more for each credit card account by another bank.

The adjudicator did not recommend the complaint should be upheld. In his view:

- because there's no evidence that Mr M informed RBS of his bankruptcy discharge in 2010 he could only consider any delay caused by RBS after May 2015; and
- the bank's apology and the £250 it had paid is fair compensation for the amount of time that it took for RBS to rectify its mistake.

Mr M disagrees. He says:

- the onus is on the creditors to monitor the status of the bankruptcy; and
- other banks which failed to update his credit file paid compensation of between £150 and £200 for each card.

## **my findings**

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

Prior to his bankruptcy Mr M had five credit card accounts with RBS. It seems following his discharge from bankruptcy information about two and out of five of the accounts was updated with credit reference agencies. But unfortunately the information for three of the accounts wasn't. RBS hasn't been able to explain why this happened although it may be because the accounts were with different members of the RBS group.

Mr M has said that as a result of his credit file not being updated applications for credit have been declined. He has also said that RBS wasn't the only bank to fail to update his records and that other banks have paid him more compensation for each card than RBS has offered for each card he had with it.

I understand why Mr M may believe that he has found it difficult to obtain credit because of failure to update his credit file. But I'm not satisfied that it is most likely he failed to get credit because RBS had failed to update his credit files.

I've looked at each of the letters from the three banks he has referred to. One bank has compensated him for not registering a default when it should have done. One bank has – amongst other things – compensated him for telling him his account would show as 'fully satisfied' when it should have been 'partially satisfied'. And the final bank was concerned with only one account unlike here where there were five – two of which were corrected and one of which wasn't. I think this clearly demonstrates how important it is that each case is looked at on its own merits as no two cases are exactly the same.

In this case I'm satisfied that the compensation RBS paid is fair and reasonable.

### **my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 December 2015.

Nicola Wood  
**ombudsman**