

complaint

Mr E complains NewDay Ltd hasn't removed the defaults from his credit file. It's affecting his credit rating.

background

Mr E had a credit card with NewDay a few years ago. He entered into a debt relief order for six years. The defaults on his credit file should've been removed after the six years had ended. But Mr E said NewDay hadn't removed them. And he couldn't get credit while the default was still on his file. So he wants it removing. And he wants £200 compensation for the trouble caused by NewDay's mistake.

NewDay said it didn't think its account had been part of the debt relief order in 2013. But in any event the accounts mentioned by Mr E weren't showing on Mr E's credit file.

Mr E wasn't satisfied with NewDay's response. So he contacted our service and our investigator looked into the matter. She looked at whether the defaults on Mr E's account should've been removed by now. And it seemed they had stopped being reported in May 2018. But she said it can take up to eight weeks for the credit agencies to update their records.

Our investigator explained she could only award compensation if she thought NewDay had done anything wrong. She felt NewDay were entitled to default the accounts when Mr E hadn't paid them. And even though there was some dispute about whether the accounts were included on the debt relief order it didn't mean NewDay had done anything wrong by reporting them.

Mr E didn't agree. So he's asked for an ombudsman's final decision.

my findings

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

Mr E is unhappy about a number of things relating to his complaint. And I can see these have been dealt with separately. So I'm going to concentrate on Mr E's complaint that NewDay didn't remove the defaults from his credit file when it should've.

Mr E says it's stopping him getting further credit. So I've looked carefully at everything Mr E and NewDay have said. I understand Mr E hasn't been able to check his credit file recently. But from what I've seen there aren't any defaults from his NewDay accounts on his file.

It's important to realise the role of our service is to see if NewDay has made any mistakes. And if it has to put the customer back in the position they'd have been in if the mistake hadn't happened.

Based on everything I've seen I can't really say NewDay has done anything wrong. If Mr E hadn't been able to pay NewDay then it was entitled to default the accounts. And they would've had a responsibility to report how the accounts had been managed to the credit agencies.

I realise Mr E thinks it took too long to remove the defaults from his credit report. But it seems the defaults were removed in May 2018. And although it might've taken a few weeks for the credit agencies to update their records it looks as if they have now been removed. And I can't really hold NewDay responsible for how long it took the credit agencies to update Mr E's file.

I don't have enough information to see why Mr E might've had difficulty in obtaining other credit. But having a debt relief order, or having had one in the past, will affect a person's credit rating for some time in the future.

It does seem any defaults relating to Mr E's NewDay accounts were removed from his credit file some time ago. So whether the accounts were part of the debt relief order or not, I haven't seen anything to suggest NewDay has made any mistakes.

I appreciate this has been a frustrating experience for Mr E. But I don't think NewDay did anything wrong. So I won't be asking it to do anything more.

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 E to accept or reject my decision before 28 December 2018.

Andrew Mason
ombudsman