

complaint

Mrs B complains about the adverse information that Creation Consumer Finance Limited has recorded on her credit file.

background

Mrs B entered into a fixed sum loan agreement with Creation Consumer Finance in December 2015 to finance her purchase of some furniture. She changed bank accounts in January 2016. Two direct debits to Creation Consumer Finance were showing on the account so she cancelled one. But she was then contacted by Creation Consumer Finance because her direct debit in March 2016 had been cancelled. She complained to Creation Consumer Finance but wasn't satisfied with its response so complained to this service.

The adjudicator recommended that this complaint should be upheld. Mrs B's bank had provided evidence to show that one of the direct debits was cancelled by Creation Consumer Finance. So the adjudicator recommended that it should remove the late payment marker from Mrs B's credit file for March 2016 and that it should pay her £75 compensation for the distress and inconvenience she'd been caused.

Creation Consumer Finance disagrees with the adjudicator's recommendation and Mrs B says that she should receive a higher amount of compensation.

my findings

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

It's clear that there were two direct debits set up from Mrs B's bank account to Creation Consumer Finance. And from the evidence that has been provided to me, I consider it to be more likely than not that one of them was cancelled by Mrs B and the other was cancelled by Creation Consumer Finance. Neither party intended that both direct debits be cancelled and the confusion about them has resulted in payments being missed. I'm persuaded that Mrs B took reasonable steps to ensure that her payments to Creation Consumer Finance continued. So I consider that the late payment markers don't give a true and accurate assessment of her payment history.

I therefore consider that it would be fair and reasonable in these circumstances for Creation Consumer Finance: to remove the late payment markers that it recorded on Mrs B's credit file about the payments in about March 2016 under the fixed sum loan agreement; and to pay her £75 compensation for the distress and inconvenience caused. I'm not persuaded that these events justify a higher award of compensation to Mrs B.

my final decision

For these reasons, my decision is that I uphold Mrs B's complaint in part. In full and final settlement of it, I order Creation Consumer Finance Limited to:

1. Remove from Mrs B's credit file the late payment markers about her payments in about March 2016 under the fixed sum loan agreement.

2. Pay £75 to Mrs B to compensate her for the distress and inconvenience that she's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 30 December 2016.

Jarrold Hastings
ombudsman