

complaint

Mr R complains that Harrington Brooks (Accountants) Limited failed to pass on a settlement payment to one of his creditors. This meant the debt remained showing as defaulted on Mr R's credit file for another seven months.

background

Harrington Brooks was managing two debts for Mr R. In June 2011, Mr R made two separate payments to Harrington Brooks to settle these debts. However, Harrington Brooks mistakenly transferred both payments to the same creditor. This meant that one debt was settled but the other remained outstanding. Mr R was unaware of this until October 2011 when he received a letter from a debt collection agent asking him to settle the debt. Mr R asked Harrington Brooks to deal with the matter but it was not resolved until January 2012.

Our adjudicator upheld the complaint. He found that Harrington Brooks had failed to distribute Mr R's June 2011 payments correctly, leaving Mr R with an outstanding debt when it should have been settled. He concluded that this caused Mr R distress and inconvenience and recommended that Harrington Brooks pay Mr R £250 to reflect this. He also asked Harrington Brooks to notify credit reference agencies of its error.

Harrington Brooks did not accept our adjudicator's compensation award so the matter was referred to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I uphold the complaint.

That Harrington Brooks made an administrative error is undisputed. Harrington Brooks accepts this and says it took "*immediate action to rectify the error*". I do not agree.

Harrington Brooks' internal notes for Mr R's account show that it was already aware in June 2011 that it had transferred one of Mr R's payments to the wrong creditor. However, it did nothing to rectify this until December 2011, some six months later. I am also concerned that Mr R has provided evidence that he emailed Harrington Brooks about the problem in October and November 2011 but these emails were deleted without being read. Even then, and despite assuring Mr R that the debt was settled, Harrington Brooks did not make the final payment to settle the debt until the end of January 2012.

I consider Harrington Brooks' actions to have been poor. Whilst I understand that a mistake can be made, I am not satisfied with Harrington Brooks' response. Its notes show that it was aware of the incorrect payment in June but it did not chase this up nor tell Mr R of the mistake. It also failed to deal with Mr R's correspondence appropriately once he reported the problem, leading to further delays. In all, Harrington Brooks' errors meant a debt that should have been settled in June 2011 showed on Mr R's credit file until February 2012.

I am in no doubt that Harrington Brooks' mistake and subsequent delay in settling the debt caused Mr R significant distress and inconvenience. Having considered the general levels of awards this Service makes in this area, I assess a fair award at £250.

Harrington Brooks says Mr R's creditor is "*updating all the relevant credit reference agencies to amend the settlement date to the 21st June 2011 in respect of this debt*". Harrington Brooks should confirm that this has been done and, if not, notify Mr R so that he can, if necessary, take this up with the creditor himself.

my final decision

My final decision is that I uphold this complaint and order Harrington Brooks (Accountants) Limited to:

- pay Mr R £250 to reflect the distress and inconvenience this matter has caused him; and
- if it has not already done so, work with Mr R's creditor to make sure the information registered about this agreement with credit reference agencies has been updated to show it as settled in June 2011.

Simon Begley
ombudsman