

complaint

Mr T complains that Moneybarn No. 1 Limited has been repeatedly recording a default on his credit file in error. He asks that all the default notices save one are removed.

background

In May 2015 Mr T entered into a five year conditional agreement with Moneybarn for a used car.

Unfortunately, following a change in Mr T's circumstances, he stopped making payments on the agreement not long after taking it out. Moneybarn issued a default notice to Mr T in October 2015. Mr T also incurred admin charges on top of the outstanding credit.

In November 2015 the agreement was terminated and the car re-possessed. Mr T agreed to enter into a payment plan with Moneybarn and pay the outstanding balance on his account at a reduced monthly rate. Mr T has been paying this reduced monthly rate since August 2016.

Moneybarn recorded a default on Mr T's credit file for this account.

Mr T says that after applying for a mortgage it was brought to his attention that the information recorded on his credit file by Moneybarn was incorrect. He says his credit file shows that Moneybarn has recorded several defaults under the same account and that he has missed payment markers. He complained to Moneybarn.

Moneybarn didn't uphold Mr T's complaint. It said that the default notice sent to Mr T in October 2015 stated that if he failed to make payments under the agreement then it may register a default with the Credit Reference Agencies. And as no payments were made the agreement was terminated in November 2015 in line with its terms and conditions. This was then registered as a default on Mr T's credit file.

Moneybarn said it was under a duty to report accurate and up to date information to the Credit Reference Agencies. And it was satisfied that what was reported aligned with Mr T's payment history under the agreement. Moneybarn said it didn't agree that amendments needed to be made.

Mr T complained to this service. Our adjudicator didn't recommend that Mr T's complaint should be upheld. He said that looking at Mr T's credit file he could see that the default was registered in November 2015, but that no further defaults had been registered on the same account.

Our adjudicator explained that the default would show for six years from when the default was issued. So this meant when Mr T logged into his credit file the account would show as a default but didn't mean that Moneybarn was registering a default each month.

Mr T disagreed with our adjudicator's view and the complaint has been passed to me.

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 T agrees that he defaulted in making payments to his account with Moneybarn and that this resulted in the agreement being terminated in November 2015. I've seen that from August 2016 Mr T has made monthly payments under a payment plan.

Moneybarn says that it registered Mr T's default with the credit reference agencies following his default and that it had a legal obligation to do so. Mr T says it was, until recently, registering that default each month. He has provided a copy of his credit file to show this.

Looking at a copy of Mr T's credit file I can see that the account with Moneybarn is shown as "*Default since x November 2015*". Further into the report there is then a tab that can be opened to "*Select an account*" which has been opened for Moneybarn and this shows that missed payments are recorded from August 2015 until November 2015. Each month after November 2015 is shown as "*Default*" up until January 2019 (the date of the credit report).

I've seen that on this same report there is at the end of the document a box headed "*Affected Accounts - latest missed payments*" which lists Moneybarn from November 2018 until January 2019.

Looking at this credit report I'm satisfied that Moneybarn has registered the default for the correct date which is November 2015. The "missed" payments that appear under the Moneybarn account are for 2015 and so are also correct as they predate the default notice.

As a default remains on the record for six years from the date of issue I can't say that each month which shows the account as "defaulted" is an error. And Moneybarn says it isn't reporting a new default each month. I have no reason to doubt what that what Moneybarn says isn't true. I think it's more likely that it's the way the report is laid out, rather than anything Moneybarn is doing, that has resulted in the way the default information has been presented.

And as Moneybarn isn't making monthly reports to the credit agency I also think the way the missed payments are recorded under the "*Affected Accounts*" section is again just how this report is recording the original default.

I'm satisfied that Moneybarn hasn't recorded the wrong information against Mr T's credit file and I'm not requiring it take any action. I'm not upholding Mr T's complaint.

my final decision

For the reasons given above I'm not upholding Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 September 2019.

Jocelyn Griffith
ombudsman