

complaint

Mr V complains that WDFC UK Limited (the business) has recorded incorrect information on his credit file. This complaint has also been investigated in regard to irresponsible lending by the business.

background

Mr V says that he looked at this credit report before applying for a mortgage and found that the business had 19 entries recorded on his credit report and that 15 of these showed that he had not taken out a loan with the business.

The business provided information showing that Mr V had taken out loans with it on the dates marked on his credit file and says that it carried out the credit searches in accordance with its terms and conditions.

The adjudicator accepted that the information recorded on Mr V's credit file was correct. However, he said that we have an inquisitorial jurisdiction and he had looked at the complaint as a whole and found that the business had lent irresponsibly to Mr V in 2012. He said that the lending did not comply with the Office of Fair Trading (OFT) guidance in place at the time regarding lending in a sustainable manner and that the business should have been aware of Mr V's financial circumstances as he was borrowing small amounts for short periods of time at very high interest rates. Because of this and the small amounts involved, the adjudicator said that the business should pay Mr V £100 compensation.

The business said that Mr V's complaint did not relate to irresponsible lending. It said that it had complied with the OFT Guidance applicable at the time and had not been given the opportunity to consider the suggestion it had been irresponsible in its lending to Mr V.

my provisional findings

I issued a provisional decision on this case. I concluded in summary:

- the entries on Mr V's credit file were correct;
- the pattern of the loans taken out by Mr V should have raised concerns in the business that the loans were not affordable;
- the loans taken out by Mr V were for amounts higher than the amount Mr V was able to repay out of his disposable income, even before interest was added; and
- if the business had made further and more detailed enquiries it should have then realised it should not have agreed the loans for Mr V; and
- the business was slow to respond to Mr V's complaint.

Because of this, and based on the information available, I said that the business should pay Mr V compensation of £400 to cover the interest and charges on the loans that I considered should not have been granted and to provide an additional sum for any distress or inconvenience caused.

Both Mr V and the business accepted my provisional decision.

my findings

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

Because both parties accepted my provisional decision and no further evidence was provided, I find no reason to depart from my provisional findings or decision.

my final decision

My final decision is that is that WDFC UK Limited should pay Mr V £400 compensation in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr V to accept or reject my decision before 6 July 2015.

Jane Archer
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