

complaint

Mr I has complained that Open University Student Budget Accounts Limited ('OUSBA') unfairly recorded a default on his credit file. He also says it didn't give him referral rights to this service, and that it incorrectly advised him of a possible notice of corrections procedure with credit reference agencies ('CRAs').

background

Mr I took out a fixed sum loan agreement with OUSBA in January 2012. This involved making monthly repayments, which OUSBA has said it didn't receive, resulting in Mr I's account being defaulted. He says he set up a direct debit for the payments, but nothing was taken from his account.

Mr I has also explained that he was given conflicting advice about how CRAs could help in removing the default, and that he wasn't told he could complain to this service.

Our adjudicator didn't recommend that the complaint should be upheld, as she felt OUSBA had acted fairly. As Mr I disagreed, the complaint's been passed to me for my 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 I has explained that when he took out the loan, he set up a direct debit mandate. I haven't seen anything to confirm this, but it's clear that the repayments weren't made. OUSBA wrote to Mr I about this in April 2012, then again in June. It defaulted the account later in June, when the repayments still hadn't been made. I'm satisfied that OUSBA had written to the right address. Because of this, I don't think it was unreasonable for it to default the account.

I can see that OUSBA told Mr I he may be able to lodge a 'notice of correction' with a CRA. I can't see that it told him this would negate any adverse information on his credit file, so I don't think it gave him incorrect advice.

Mr I is also concerned that OUSBA didn't give him referral rights to this service. It has explained that this is because it would have done so at the next stage of its complaints process. Mr I was given the details of the complaints department, but didn't contact it. Because of this, I don't think OUSBA acted unreasonably.

my final decision

For the reasons given above, it's my final decision not to uphold this complaint. I make no award against Open University Student Budget Accounts Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 8 April 2016.

Elspeth Wood
ombudsman