

complaint

Mrs F complains that Barclays Bank Plc has not treated her fairly in that it allowed incorrect information to remain on her credit file, affecting her credit rating. She would like the bank to compensate her for the stress and inconvenience she says this caused her.

background

Mrs L paid off her credit card debt and used her online facility to reduce the limit on her credit card from £900 to £100. Barclays had previously credited £50 to the same account as a goodwill gesture and believing she had an available balance of £150, Mrs L spent £140 on the card. Mrs L then discovered that while the new credit limit on the card had been immediately updated on her credit file, her file still showed her previous month's balance. This meant her credit file incorrectly showed her as being well over her credit limit, and her credit rating was downgraded to "poor" as a result.

Mrs L complained to Barclays, which amended the information and offered Mrs L £40 as a gesture of goodwill. Our adjudicator considered that it was not Barclays' fault that the information on Mrs L's credit file was not instantly updated and she was of the view that the £40 offered by the bank was fair and reasonable in the circumstances.

Mrs L does not agree, saying it was the bank's fault that her credit rating had been affected by the incorrect information.

my findings

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

I can understand why Mrs L was so dismayed to learn that repaying her credit card debt and reducing her limit caused her credit rating to be downgraded. However, I'm not persuaded that the bank is at fault in this situation. The new credit limit was updated with the credit file agency when it was changed – and it's reasonable for the bank to do this to ensure that the information on Mrs L's file was as accurate as possible.

However, I don't think it's reasonable to expect the bank to provide updates every time a balance on a card changes – which would be the implication of more immediate reporting. Barclays provides a monthly balance update to the credit agencies, which is what it did in this instance. It is unfortunate that Mrs L was caught out between the two reporting timeframes, but I'm not sure that the bank could have foreseen the problem nor prevented it from happening. Mrs L has said there was no alert to warn her that there could be delay, but I don't think it's reasonable to expect the bank to provide such a warning for what's likely to be a rare occurrence.

This leads me to consider whether the bank did what we would expect to fix the problem once it became aware of it. Barclays amended Mrs L's credit information and offered Mrs L £40 as a goodwill gesture. It doesn't appear that Mrs L had applied for other credit while her rating was affected, so there's no evidence of other loss.

However, it's clear that Mrs L experienced distress and inconvenience as a result of the reporting processes, so I consider some compensation is appropriate. Barclays has offered

to £40 as a gesture of goodwill. I consider an increase of £60 on this amount is fair and reasonable.

my final decision

Barclays Bank Plc has offered Mrs L £40 as a goodwill gesture. In light of the distress and inconvenience she has experienced, I consider that a further £60 is fair and reasonable in the circumstances. My final decision is that Barclays Bank Plc should pay Mrs L £100.

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

Catherine Wolthuizen
ombudsman