

complaint

Mr K1 and Mr K2 have complained that Premium Credit Limited has listed information about Mr K2 on Mr K1's credit report.

background

Mr K1 took out landlord insurance for his buy-to-let property. The policy was in his name but Mr K2 (who is Mr K1's father) took out a loan agreement with Premium credit to pay for Mr K1's policy. Mr K1 didn't make any payments towards the loan.

Mr K1 intended to take out another mortgage, so he checked his credit file with a credit reference agency in April 2018. At this stage he noticed that his father's loan agreement with Premium Credit had been listed on his credit file since October 2017. Mr K1 raised a complaint but Premium Credit addressed its response to his father, it wasn't until later that it responded to Mr K1's complaint. He says it originally refused to remove Mr K2's credit information from his credit file.

Premium Credit has now arranged for Mr K2's loan and date of birth to be removed from Mr K1's credit file. But Mr K1 remained unhappy and brought his complaint to our service. Our investigator looked into the complaint and originally asked Premium Credit to pay Mr K1 £150 compensation for the trouble it had caused. But upon receiving further evidence from Premium Credit she changed her opinion. She didn't recommend the case be upheld, she explained she had seen evidence to show Premium Credit had been provided with misleading information from a third party and that the credit agreement was in Mr K1's name.

Mr K1 didn't agree, he felt compensation was warranted because Premium Credit took too long to respond to his complaint and that it hadn't recorded the information correctly on his credit file. So the case has been passed to me to consider.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the investor for broadly the same reasons. I will explain why.

credit agreement

I've seen evidence to show that Mr K1's details were provided to Premium Credit by a third party. The information which was provided to Premium Credit says that Mr K1 is the customer (of the loan agreement). So Premium Credit set up the agreement up in his name.

I have also been provided with a letter Premium Credit sent to Mr K1 on 29 April 2016 asking him to sign the credit agreement. The 2016 credit agreement is also in Mr K1's name. In 2017 a renewal letter was sent to Mr K1 and a second agreement was also set up in his name.

So after receiving that information I think it's fair to say Mr K1 would have or ought to have been aware that the loan agreement was set up in his name instead of his fathers in 2016. And with that in mind, I don't think it's unreasonable to suggest that he could have notified Premium Credit that this information was incorrect. The third party (who Mr K1 chose to act on his behalf) provided Premium Credit with his information, and Premium Credit set the

agreement up in his name. Neither the third party or Mr K1 had made Premium Credit aware that that loan agreement should be in Mr K2's name . So I think it is unfair to hold it responsible for the error that occurred. Premium Credit has a duty to share correct information with credit reference agencies and as far as it was aware the information it held was correct.

Once Premium Credit received notification from the third party that the credit agreement was set up incorrectly it agreed to remove the information from Mr K1's credit file.

Mr K1 has said he feels Premium Credit hasn't recorded the information correctly as the loan was taken out in 2016 but not reported on to a particular credit reference agency until October 2017. And the loan agreement ran for 10 months but is reported on Mr K1's credit file as 999 years.

Premium credit has explained that it didn't start to report to the credit reference agency Mr K1 is referring to, until the end of 2017, so Mr K1's information wasn't registered on the credit file until 2018. Mr K has also said the loan agreement was for 10 months. But as it was set up on a renewal basis (Mr K1 received a renewal letter in April 2017) the duration of the loan agreement was listed as 999 years, which isn't unusual. Again, I can't say that premium credit has acted unreasonably.

customer service

Mr K1 says he told the third party about father's information being on his credit file and explained him and his father both wanted to make a complaint. Premium credit did look into Mr K2's concerns and issued a response on 13 April 2018. But Mr K1 didn't hear anything from Premium Credit until 30 April 2019 when it issued its final response.

I have seen the original email the third party sent to Premium credit explaining that Mr K2 wished to raise a complaint. In this correspondence there was no mention of Mr K1. On 24 April the third party asked Premium Credit for an update on Mr K1's complaint. It was at this point Premium Credit were aware of Mr K1's complaint and issued it's response within five days, which I think is reasonable. So I don't think Premium Credit has given a poor level of customer service.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K1 and Mr K2 to accept or reject my decision before 10 August 2018.

Jade Rowe
ombudsman