

## **complaint**

Mr G complains that Black Horse Limited wrongly registered a default against him on his credit file, where it remained for four years until he noticed it and got Black Horse to remove it.

## **background**

In 2008, Mr G entered into a car finance agreement with Black Horse. He returned the car in 2010 and got a receipt confirming it was undamaged. He then received a letter from Black Horse saying the car was damaged and that he owed Black Horse £931.77 as the cost of repairing this. Mr G disputed this, and heard nothing more until he received a statement in April 2011 showing £931.77 as still owing. Again, Mr G wrote to Black Horse explaining he didn't owe this amount.

In May 2012 he received a letter from a debt collection company saying Black Horse had assigned the debt to it and asking for payment. Mr G corresponded with the company explaining why he didn't owe this amount. Eventually in February 2013, after making a formal complaint to the company, it told him its account had been closed and the debt returned to Black Horse in December 2012.

Mr G heard nothing more from Black Horse. In May 2016 he happened to check his credit file and saw that the debt had been registered as a default on his credit file by Black Horse in May 2012. He complained about this to Black Horse. It apologised for what it had done which it said was due to an administration error. It offered him compensation of £600 for any distress and inconvenience this had caused. Mr G said this was insufficient and complained to us.

Our adjudicator recommended that this complaint should be upheld. She said Mr G had made every effort to make Black Horse aware that he wasn't liable for the debt, and that it should be written off.

A number of searches had been made against Mr G's credit file while the default was wrongly registered. But there was no evidence of Mr G having been rejected for credit due to this. However he had clearly been caused a considerable amount of distress over a period of four years by the debt being sold on, and being chased for payment.

She recommended that in view of the distress caused to Mr G, the compensation be increased from £600 to £800. Black Horse didn't accept this recommendation, and so this complaint has been passed to me to issue a 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.

Black Horse first of all tried to recover a debt from Mr G which it acknowledges he didn't owe. Then it sold this non-existent debt to a debt recovery company which chased him for payment for nearly a year before saying it had been returned to Black Horse. Finally, having accepted in 2013 that the debt wasn't owed, Black Horse failed to remove the default it had placed on Mr G's credit file in May 2012 until Mr G complained in 2016.

Mr G says that the default may have led to his receiving worse credit terms from other lenders while it was registered. However there is no evidence of this or that he was refused credit because of this. It is right that he should be compensated for the upset and inconvenience Black Horse cause him. All in all, I think that the appropriate figure for this is £800.

**my final decision**

My decision is that I uphold this complaint and order Black Horse Limited to pay Mr G compensation of £800.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 November 2016.

Lennox Towers  
**ombudsman**