

complaint

Mr A has complained that Santander UK Plc didn't remove adverse information from his credit file in a timely manner.

background

Mr A had a default recorded on his credit file, which should have been removed in January 2014. Unfortunately it wasn't removed until September 2015, and Mr A feels it was this that led to mortgage applications being declined. Because of this, he has asked for £100,000 to cover financial losses and the distress caused.

Our adjudicator didn't feel he could conclude that the mortgage applications had been turned down because of the default. But he agreed that it had remained on file too long, and recommended that Santander pay Mr A £250 compensation in recognition of this.

Mr A disagreed, and said he'd provide information to show a particular application had been turned down solely because of the incorrectly recorded default. He later decided not to do so, as he feels he's provided sufficient information.

The complaint's now 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.

It's not in dispute that Santander made an error regarding the default. It removed it from the records of two credit reference agencies, but not a third. So I need to decide what impact it had on Mr A. I agree that it must have been frustrating, worrying and inconvenient, and I agree that Santander should pay £250 compensation for this.

I turn now to the issue of whether it was this error that led to Mr A's mortgage applications being declined. I know Mr A will be disappointed by my decision, but I don't feel – on balance – that it was.

This is because during the period in question, Mr A made a number of applications to different lenders. Of these:

- two lenders were unaware of the default;
- one application was approved in principle, but Mr A didn't proceed with a full application; and
- the final lender wasn't able to confirm that it was this default which led to Mr A's application being turned down.

Although the final lender later accepted an application, once the default had been removed, I don't have sufficient information to persuade me that this was the reason.

my final decision

For the reasons given above, it's my final decision to require Santander UK Plc to pay Mr A £250 compensation for the upset caused.

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

Elspeth Wood
ombudsman