

complaint

Mr C complained because his current account with Bank of Scotland plc, trading as Halifax, didn't appear on his credit file. He said he had a good record with this account, so it would have improved his credit rating.

background

Mr C had a basic account, which didn't have a credit facility. He upgraded this to a current account with an overdraft of £3,000. He discovered the account wasn't on his credit file and complained to Halifax.

Halifax told Mr C that upgraded accounts weren't being reported to the credit reference agencies. The bank told him it was working on the problem, and in the meantime paid Mr C £100 compensation and offered to open a new account for him. Unfortunately, as Mr C already had three current accounts, the new account application was declined. Halifax apologised and paid Mr C a further £65 compensation. Mr C wasn't satisfied and complained to this service, seeking £1,000 to £2,000 compensation. He said this was because the credit score meant he'd been paying rent instead of a mortgage.

Our adjudicator noted that Halifax had said it was physically unable to report the upgraded account to Mr C's credit file, and explained that this service wasn't able to force it to do so. He pointed out that we're not a regulator and can't control how Halifax operates its systems, although Halifax had told us it was trying to resolve the problem.

The adjudicator also found there was no evidence of financial loss caused by the new current account not being on Mr C's credit file. It was a relatively new account, so wouldn't have much impact on Mr C's score. Also, when the adjudicator asked Mr C for any evidence that he'd been turned down for a mortgage, Mr C had said he "*hadn't risked it*". So the adjudicator concluded that the £165 already paid was fair and reasonable.

Mr C wasn't satisfied with this, saying he'd been with Halifax for four years. He said all lending had to be reported to credit reference agencies, and he wanted an extra £100 compensation.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Halifax has recognised there's a problem with its systems, which don't report credit information to the agencies when a customer upgrades from an account which doesn't have credit facilities, to one which does. It's told us that it's working on this. But in any event we can't instruct a bank to change its systems, as Mr C wants.

Mr C maintained that lenders have to provide credit information to credit reference agencies. But that's not necessarily the case. The privacy statement on Halifax's terms and conditions says that information may be disclosed to external agencies, not that it definitely will be disclosed. In any case, Halifax has said it's working on fixing the problem.

Looking at Mr C's request for compensation, Mr C hasn't provided evidence of any financial loss. Firstly, he told us that he didn't risk applying for a mortgage, so there's no proof that the fact this Halifax current account wasn't on his credit record caused him any disadvantage.

Secondly, I don't think this account would have made much difference to Mr C's credit rating. It wouldn't have counted as four years, as Mr C claimed, because three of those years were when he had the basic account which didn't have a credit facility. Any assessment of the score would only have started from when the account was upgraded to have a credit facility, in August 2013. This was just a few months before Mr C complained and the account was closed.

I therefore find that the £165 already paid to Mr C by Halifax was fair and reasonable.

my final decision

My final decision is that I do not uphold this complaint.

Belinda Knight
ombudsman