

complaint

Mr J has complained about the default registered on his credit file. He wants Motormile Finance UK Limited, trading as MMF, to remove the default and ensure his file reflects accurate data.

background

Mr J took out a loan in February 2010 with a lender. This debt was never fully repaid and was eventually sold to MMF. Mr J noticed early in 2014 that there was a default registered on his credit file for this amount and contacted MMF. As he remained unhappy by their explanation, he brought his complaint to the ombudsman service.

Our adjudicator felt, that in the absence of any evidence, MMF should remove the information about the default from Mr J's credit file and pay him £300 compensation for the way they had handled his complaint. Whilst MMF originally accepted this outcome, they were able to locate a copy of the default notice that Mr J's original lender sent to him.

Our adjudicator informed both parties that he felt this complaint should be partially upheld and that MMF should pay Mr J a further £100. However he did not feel that the default information should be removed from his credit file. Mr J has asked an ombudsman to review his case.

my findings

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

Mr J's correspondence with both companies who had bought his debt from his original lender was sparked off by reviewing his credit file and noticing the default on this loan. He had thought he had settled the debt back in 2010. I believe he now accepts this is not so.

Although this is not a central aspect of his complaint, he was looking for original copies of his credit agreement in correspondence with both of his debt purchasers, including MMF. I have seen a copy of his original loan agreement, and a copy of the default notice dated 28 May 2010 and I am satisfied this is all in order. I appreciate Mr J says he never received the default notice but I am in no doubt it was sent and to his current address.

Mr J does not believe he ever received a notice of assignment from MMF informing him that they now owned this debt when they took it over in 2013. MMF say they sent one and this will have been to Mr J's current address. This is the kind of post that can be overlooked and forgotten about so I am not surprised that Mr J does not recall receiving it. However whether he did or did not receive it is not a central aspect to my decision.

Like our adjudicator, I am disappointed that it took MMF so long to locate the default notice but I appreciate these things happen. Mr J is very concerned that his credit file should reflect accurate data. And I agree with him that the default notice and the information on this outstanding debt should show that MMF is the current owner. I have asked MMF to ensure this information is correct and I am sure they will do this.

I am pleased that MMF was willing to reduce Mr J's balance on his account by £300 to reflect their complaint handling. Like our adjudicator, I believe it is fair that they pay Mr J a

further £100 to compensate him for the distress he has had. Firstly, lack of evidence did suggest that the default was not fair but now, unfortunately for Mr J, I do not believe this is the case. Whilst getting the evidence from MMF helped to shape my decision, it's worth saying that it would have been useful if it had turned up earlier. The default should remain on his record until it falls off in a year and a half's time.

my final decision

For the reasons stated above, my final decision is to partially uphold Mr J's complaint and instruct Motormile Finance UK Limited, trading as MMF, to pay him a further £100 for the distress caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr J to accept or reject my decision before 2 February 2015.

Sandra Quinn
ombudsman