



<b><u>Decision Ref:</u></b>	2018-0072
<b><u>Sector:</u></b>	Banking
<b><u>Product / Service:</u></b>	Personal Loan
<b><u>Conduct(s) complained of:</u></b>	Incorrect information sent to credit reference agency Failure to provide correct information
<b><u>Outcome:</u></b>	Substantially upheld

### **LEGALLY BINDING DECISION OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

#### **Background**

This complaint concerns a credit agreement the Complainant entered into with the Provider.

The first complaint is that the Provider failed to notify the Complainant of the balance outstanding on the loan, resulting in negative reporting to the Irish Credit Bureau (ICB). The second complaint is that the Provider gave the Complainant incorrect information, and failed to deal with the issues raised by the Complainant in an acceptable manner.

#### **The Complainant's Case**

The Complainant submits that he took out a loan with the Provider to purchase a television on 15 June 2006. The Complainant submits that on 11 December 2009 a payment of €31.37 was taken from his bank account, which he considered the final payment of the loan. The Complainant states *"I do admit over the course of the agreement I missed the payment date due to insufficient funds in my bank account and these were paid when I had available funds"*.

The Complainant submits that he did not receive any additional correspondence from the Provider until May 2013 when he was advised that there was money owed on the loan account. The Complainant submits that he was very surprised to receive the Provider's letter and on 15 May 2013 he made a payment of €115.92 by debit card to settle the loan. The

Complainant submits that after the payment was made he was informed that the loan was settled in full and that the account would be closed off.

The Complainant submits that in August 2016 he was advised by another financial service provider that his mortgage loan application was rejected as a result of the loan with the Provider showing up on his credit report as being open and nine months in arrears. The Complainant states that *"I would like to now know why it took [the Provider] three years to update my credit report to confirm this loan was paid in full on the 15<sup>th</sup> of May 2013, and why it was my phone[call] that prompted [it] to do so"*.

The Complainant submits that there is a clear knowledge/training gap within the Provider's customer service and collection department including members of management.

The Complainant states that he is seeking for the *"Provider to remove the loan from Credit Report as previously agreed with [a representative of the Provider] who confirmed he had received authorisation to approve this and have the loan removed. The... Provider confirm[ed] on the 04<sup>th</sup> of August 2016, that [it had] received approval from [its] credit control team to remove the loan from my credit history and that it would be completed in several weeks. I received a telephone call from [the Provider's representative] a Manager... today confirming that the information he provided me with on the 04<sup>th</sup> of August 2016 was incorrect and [its] credit control could no longer remove the loan from my credit report as previously agreed on the 04<sup>th</sup> of August 2016. I am seeking €65,000, due to the Financial Service Provider's mistake and lies they told me. This amount of money is the amount of additional money I now require to purchase the house that I was in the process of purchasing until the Financial Service Provider confirmed [its] error"*.

### **The Provider's Case**

The Provider submits that the Complainant acquired a loan in the sum of €800.00 under account number ending in '688' in respect of a purchase made at a merchants. The Provider submits that the account was opened on 15 June 2006, and the Complainant agreed to repay this loan over a period of 48 months, with repayments of €31.37 commencing on 11 July 2006. It submits that the Complainant also had a 12 month interest free option (IFO), which meant that, provided the full balance was received on or before 15 June 2007, no interest would be charged.

The Provider submits that if the account was not settled by the IFO end date, interest would accrue on the outstanding balance from inception, and be debited to the account. The Provider submits that as the balance was not settled before the IFO period had expired, interest totalling €169.69 was applied to the account. The Provider submits that the last payment received towards the account was 11 December 2009, and the Complainant's account was transferred to its Collections Department on 22 January 2010 following non receipt of the contractual monthly payment. It submits that the Collections Department made numerous telephone calls to the Complainant as well as issuing several letters to advise him that the account remained past due.

The Provider submits that the consequences of not paying the monthly repayment by the due date were clearly specified on the legal agreement signed by the Complainant. The Provider submits that it remains the customer's responsibility to read through the Terms and Conditions of the agreement before signing it, and by signing the agreement, the Complainant confirmed his understanding and acceptance of these Terms and Conditions.

The Provider submits that on 4 May 2010 the Complainant agreed to settle the remaining balance on the loan of €125.00. The Provider submits that a laser card payment of €125.00 was accepted, however, this payment was not successful. It submits that after a period of unsuccessful attempts to contact the Complainant, a business decision was made to no longer pursue him for the debt. The Provider submits that as the account still had an outstanding balance, the information continued to be reported to the Irish Credit Bureau (ICB).

The Provider submits that the Complainant contacted its Collections Department on 15 May 2013 to discuss the account, and an arrangement was made to accept €115.92 in settlement of the account. The Provider submits that a laser card payment was taken and the account was closed. The Provider submits that following receipt of the Complainant's payment on 15 May 2013, a request was made for a closure letter to be issued to him. It states that *"the information should have been forwarded to our Customer Account Information Sharing Team (CAIS) to enable them to inform the ICB that the account had been settled. Regrettably, the correct procedure was not followed and as a result instructions were not forwarded to the ICB"*. The Provider apologises that it failed to report this information to the ICB and issue the Complainant with a closure letter.

The Provider states *"I can assure you that we do have extremely strict guidelines designed specifically to ensure that this situation does not occur. In this instance, the correct procedure was not followed, and as such, the correct information was not reported to the Irish Credit Bureau. I would like to assure you this type of service is not indicative of our usual high standards. All employees are subject to a full and comprehensive training package at the onset of their career with [the Provider]. This is then supplemented by regular feedback and training sessions to ensure all advisors are fully up to date with company practice and procedures. This matter has been referred to the manager of the department concerned, to be addressed accordingly"*.

The Provider submits that the correct information was forwarded to the ICB on 25 July 2016. The Provider submits that its CAIS team gave instructions to the ICB to amend the Complainant's ICB credit file to reflect that the account was settled on 15 May 2013.

The Provider submits that the adverse information reflecting non payment towards the account between the periods 2010 – 2013 must remain. The Provider submits that it has an obligation to report a true and accurate reflection of how the account has been maintained to the ICB. It submits that the ICB record will reflect the actual payment history for five years after the settled date of the account. The Provider submits that once the reporting period of five years has elapsed, the details are automatically deleted by the ICB. The Provider states *"This is in line with the guidelines set by the Data Protection Act. Additionally, [the*

*Provider] can not knowingly provide incorrect information to the ICB. This would be deemed a breach of the facility and irresponsible record keeping by the bank”.*

### **Decision**

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider’s response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties on 22 June 2018, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

While correspondence was received from both parties, no additional submissions were received from either party in respect of the Preliminary Decision. In the absence of additional submissions from the parties, my final determination is set out below.

**(1) The first issue to be determined is whether the Provider failed to notify the Complainant of the balance outstanding on the loan, which resulted in negative reporting to the ICB.**

The Complainant entered into a credit agreement with the Provider on 15 June 2006. The Complainant submits that on 11 December 2009 a payment of €31.37 was taken from his bank account, which he considered the final payment of the loan. The Complainant states *“I do admit over the course of the agreement I missed the payment date due to insufficient funds in my bank account and these were paid when I had available funds”.*

The Complainant submits that he did not receive any additional correspondence from the Provider until May 2013 when he was advised that there was money owed on the loan account. The Complainant submits that he was very surprised to receive the Provider’s letter and on 15 May 2013 he made a payment of €115.92 by debit card to settle the loan.

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The Provider submits that the loan account was opened on 15 June 2006, and the Complainant agreed to repay the loan of €800.00 over a period of 48 months, with repayments of €31.37 commencing on 11 July 2006. It submits that the Complainant also had a 12 month interest free option (IFO), which meant that, provided the full balance was received on or before 15 June 2007, no interest would be charged. The Provider submits that if the account was not settled by the IFO end date, interest would accrue on the outstanding balance from inception, and debited to the account.

It is disappointing that the Provider has not submitted a copy of the Complainant's loan agreement in compliance with its obligations pursuant to provision 11.5 of the Consumer Protection Code 2012, which states the following:

*"11.5 A regulated entity must maintain up-to-date records containing at least the following:*

- a) a copy of all documents required for consumer identification and profile;*
- b) the consumer's contact details;*
- c) all information and documents prepared in compliance with this Code;*
- d) details of products and services provided to the consumer;*
- e) all correspondence with the consumer and details of any other information provided to the consumer in relation to the product or service;*
- f) all documents or applications completed or signed by the consumer;*
- g) copies of all original documents submitted by the consumer in support of an application for the provision of a service or product; and*
- h) all other relevant information and documentation concerning the consumer.*

*11.6 A regulated entity must retain details of individual transactions for six years after the date on which the particular transaction is discontinued or completed. A regulated entity must retain all other records for six years from the date on which the regulated entity ceased to provide any product or service to the consumer concerned."*

The Provider has submitted a copy of a template Credit Agreement. I note that this sets out, among other things, the following:

<i>INTEREST FREE EARLY REPAYMENT OPTION</i>	<i>You may exercise the option set out in Clause 3(b) by paying to us the amount referred to in that clause so (€)€ that it is received by us in the period ending on the date for repayment of the Monthly Payment ("the Option Period")</i>
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*Early Repayment*

- (a) ...*
- (b) Alternatively to your rights under sub-clause (a), you may at any time in the Option Period settle this Agreement free of interest by paying to us the Amount of Credit less the sum of the Monthly Payments (including PPI Premiums unless a PPI claim has been made) already paid by you, provided that you have at all times promptly performed all your obligations under this Agreement.*

The Provider submits that as the balance was not settled before the IFO period had expired, interest totalling €169.69 was applied to the account. The Provider submits that the last payment received towards the account was 11 December 2009, and the Complainant's account was transferred to its Collections Department on 22 January 2010 following non receipt of the contractual monthly payment. It submits that the Collections Department made numerous telephone calls to the Complainant as well as issuing several letters to advise him that the account remained past due.

The Provider submits that the consequences of not paying the monthly repayment by the due date were clearly specified on the legal agreement signed by the Complainant. The Provider submits that it remains the customer's responsibility to read through the Terms and Conditions of the agreement before signing it, and by signing the agreement, the Complainant confirmed his understanding and acceptance of these Terms and Conditions.

The Provider submits that on 4 May 2010 the Complainant agreed to settle the remaining balance on the loan of €125.00. The Provider submits that a laser card payment of €125.00 was accepted, however, this payment was not successful. It submits that after a period of unsuccessful attempts to contact the Complainant, a business decision was made to no longer pursue him for the debt. The Provider submits that as the account still had an outstanding balance, the information continued to be reported to the Irish Credit Bureau (ICB).

The Complainant submits that he was advised by another financial service provider that his mortgage loan application was rejected as a result of the loan with the Provider showing up on his credit report as being open and nine months in arrears.

I note the financial service provider that declined the Complainant's joint application for a mortgage loan, in its letter dated 25 August 2016, states:

*"Thank you for your recent application for a Mortgage Loan...*

*We have comprehensively assessed your application, based on the information you have provided to us. Regrettably we are not in a position to approve your application at this time due to:*

- *Irish Credit Bureau (ICB) history"*

The Provider submits that the Complainant contacted its Collections Department on 15 May 2013 to discuss the account. The Provider submits that an arrangement was made to accept €115.92 in settlement of the account. The Provider submits that a laser card payment was taken and the account was closed.

The Provider, in its "FSOB Assessment – Complaint Summary" states, among other things, that:

*"08/09/16: Complaint response issued. We confirm:*

*...*

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- *The customer agreed to settle the outstanding balance of 125.00 Euros on 04/05/10. However this payment was unsuccessful.*
- *As we were ultimately unable to recover these funds, a decision was made to write them off.*
- *The customer called on 15/05/13 and arranged to pay 115.92 Euros to settle the debt.”*

The Provider also states in its “FSOB Assessment – Complaint Summary”, that *“Any correspondence would have been issued to the address we held on file. However once the debt was written off in 01/10 no further statements or correspondence would have been issued by us”*.

By way of letter dated 18 January 2018 this Office raised further queries with the Provider regarding the funds and its decision *“to write them off”*. The Provider, in its email to this Office dated 20 March 2018, states that *“I think the information is poorly worded on my part. We did not decide to write the debt off, but decided not to pursue [the Complainant] for it”*.

In response, the Complainant states that *“Staff at [the Provider] advised me that the debt I was unaware of was written off”*. The Complainant also states that *“I received no correspondence from [the Provider] informing me of this. If I had [been] made aware of this, I would have immediately paid the monies owed”*.

The Provider has submitted a printout of the account history, which I note, sets out among other things the following:

<i>ACCOUNT DATE</i>	<i>HISTORY TEXT</i>	<i>TIME</i>
...		
...3688 20100125	***SMS sent to... ***	...
...3688 20100202	***SMS sent to... ***	...
...3688 20100210	***SMS sent to... ***	...
...3688 20100211	***SMS sent to... ***	...
...3688 20100224	no reason for 55	...
...3688 20100323	will cb 26mar and pay off acc set fig 144.62, declined to do pdlaser	...
...		
...3688 20100326	***SMS sent to... ***	...
...3688 20100330	***SMS fail: ... on 26MAR2010***	...
...		
...3688 20100331	***SMS fail: ... on 26MAR2010***	...
...		
...3688 20100504	&LTL053 V 851074126	...
...3688 20100504	cant bal – agreed 125 to clse acc ful and final today wit laser card – updated	...
...3688 20100504	mpn in case laser pmt decl –adv if pmt aok wil clse acc	...
...3688 20100504	please clse and snd lett wen 125 rec’d	...
...3688 20100617	Letter text not found on CACSDOC for document LNSTMT	...
...		

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...3688 20120221 edf closed 1.12.11 as refuses to pay  
...  
...3688 20120221 hold for closure state ...  
...3688 20130514 occi disputing about the payment adv laser payment got decl  
4/5/10... ..  
...  
...3688 20130514 dialled oc manually... auth by manager... to accept 115.92 and waive  
...  
... 28.50 to close the a/c ...  
...3688 20130514 oc paid with his card, plz waive and close and send a close ltr to oc  
once the  
... pymt reflect on the a/c ...  
...3688 20130515 oc called to adv pymt has not been taken off his card, adv will take 4  
working ... day[s]... for pymt to show that it has been taken..."

The Provider has obligations pursuant to the Consumer Protection Codes. Provision 8.6 of the Consumer Protection Code 2012 provides that:

*"8.6 Where an account remains in arrears 31 calendar days after the arrears first arose, a regulated entity must within three business days inform the personal consumer and any guarantor of the loan, on paper or on another durable medium, of the status of the account. This information must include the following:*

- a) the date the account fell into arrears;*
- b) the number and total amount of repayments (including partial repayments) missed (this information is not required for credit card accounts);*
- c) the amount of the arrears to date;*
- d) the interest rate applicable to the arrears;*
- e) details of any charges in relation to the arrears that may be applied;*
- f) the importance of the personal consumer engaging with the regulated entity in order to address the arrears;*
- g) relevant contact points;*
- h) the consequences of continued non-payment, including where relevant, sharing of data relating to the consumer's arrears with the Irish Credit Bureau or any other credit reference agency;*
- i) if relevant, any impact of the non-payment on other accounts held by the personal consumer with that regulated entity including the potential for off-setting of accounts, where there is a possibility that this may occur under existing terms and conditions; and*
- j) a statement that the personal consumer may wish to seek assistance from MABS and contact details for the MABS National Helpline and the link to the MABS website."*

Provision 8.8 of the Consumer Protection Code 2012 provides that:

*8.8 Where the arrears persist, an updated version of the information required in Provision 8.6 must be provided to the personal consumer, on paper or on another durable medium, every three months."*

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I must point out that the Complainant had a contractual obligation to repay the loan in full and in the terms agreed with the Provider. The Provider is obliged to provide an honest and truthful report of customers' loan repayment patterns, and is not obliged to change or remove details from a report unless these details are inaccurate.

Based on the evidence before me, I note that there was an outstanding debt on the Complainant's loan account in 2010. The Provider submits that prior to the payment received on 15 May 2013, the last payment it received on the account was on 11 December 2009. I note that the Provider had been corresponding with the Complainant up to when he made a laser card payment of €125.00 on 4 May 2010, which subsequently failed.

The Provider has submitted a copy of its contact report with the Complainant, which shows that it contacted or attempted to contact the Complainant on a couple of occasions by telephone or text message after the laser card payment failed in May 2010. The Provider states that *"Our Collections Team have advised that given the calls and text messages, no letters were sent prior to the decision to stop pursuing the debt"*.

While it is not clear from the evidence before me whether it was the Provider's intention to write off the loan in 2010, the Provider did not close off the loan account at this point. I note that the Provider submits that it made a decision to no longer pursue the Complainant for the debt. In circumstances where a financial service provider decides to no longer pursue a borrower for a debt, it should issue a report to the ICB to reflect this. While there is a mark against a customer on their credit report at that point, the financial service provider should no longer continue to report missed payments to the ICB. Therefore, the Provider should have reported to the ICB in 2010 that it was no longer pursuing the Complainant for the debt, and this would have remained on the Complainant's ICB for five years from that date. It is most disappointing that the Provider continued to report missed payments to the ICB.

I note that the Complainant contacted the Provider on 15 May 2013, and an arrangement was made to accept €115.92 in settlement of the account. It is also disappointing that the Provider did not advise the Complainant at this point that by making the payment of €115.92 he was reactivating the account, which would result in the account showing on the ICB record for five years from that point, that is, until May 2018, rather than five years from the date the Provider decided to no longer pursue the Complainant for the debt.

Consequently, it is my Preliminary Decision that this complaint is substantially upheld.

**(2) The second issue to be determined is whether the Provider gave the Complainant incorrect information, and failed to deal with the issues raised by the Complainant in an acceptable manner.**

The Complainant submits that he spoke to a representative of the Provider in its Customer Service Department on 20 July 2016, who confirmed that the loan account had been written off as bad debt on 31 July 2010. The Complainant states that *"I was not aware of this write off and I received no correspondence from [the Provider] informing me of this. If I had been made aware of this, I would have immediately paid the monies owed"*. The Complainant submits that during this telephone conversation, the Provider's representative went on to

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confirm that his loan account was not in arrears, and that the account had been paid in full and closed on 15 May 2013, and that as such it would no longer show up on the Irish Credit Bureau system as of 31 July 2016. The Complainant submits that he requested a statement from the Provider's representative to show that the loan was paid off in full and the account closed. The Complainant submits that the Provider's representative confirmed that he would send this to him, however, he did not receive it.

The Complainant submits that he spoke with another of the Provider's representatives on 25 July 2016 who confirmed that the credit team would update his credit report to show that the loan was completed, and that it now showed that the loan had been redeemed on 15 May 2013, and the loan would be removed from his credit report on 31 July 2016. The Complainant submits that he spoke with the Irish Credit Bureau on 28 July 2016 who confirmed that the loan was updated as completed as of 15 May 2013, however, it was not due to be removed from the credit report until 15 May 2018, and that he had been misinformed by the Provider.

The Complainant submits that he spoke to another of the Provider's representatives on 29 July 2016, 1 August 2016 and 2 August 2016. The Complainant submits that during these telephone calls the Provider's representative advised that there was a knowledge gap in his department and that he had recommended to his credit control team to remove the loan from the credit report, and that he would telephone him the next day with an update. The Complainant submits that the Provider's representative telephoned him on 3 August 2016 to advise that he had still not received a response from the credit control team due to staff shortages, and that he had sent a chaser email in order to have the matter sorted as soon as possible.

The Complainant submits that the Provider's representative telephoned him again on 4 August 2016 to confirm that he had received approval to have the loan removed from his credit report, however it would take several weeks due to staff being on annual leave and that he would telephone the Complainant the following week to confirm if it had been actioned. The Complainant submits that the Provider's representative confirmed that he would put this in writing.

The Complainant submits that he received a telephone call from the Provider's representative on 10 August 2016 to advise that his previous confirmation was an error on his part and that credit control could not remove the loan from the credit report. The Complainant states that the Provider's representative *"has now tried to back track in his letter dated 10/08/2016, by confirming I was put through to the wrong department and he shouldn't have been dealing with my query in the first place. If [the Provider's representative] wasn't supposed to deal with my complaint why didn't he pass me to the correct department who could have dealt with my complaint... and upset may have been avoided"*.

I note that the Provider's letter to the Complainant dated 10 August 2016 states the following:

*"Further to our conversation today on the 10<sup>th</sup> August 2016, this letter is confirming a summary of this conversation held and the issues raised.*

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*... I can confirm that the balance is Nil and that the account has been closed and settled since 15<sup>th</sup> May 2013.*

*There has been a number of conversations regarding the removal of the adverse data from the above account that has been recorded with the ICB in order for you to progress with a Mortgage application.*

*Unfortunately incorrect information has been provided to you from advisors in which you have spoken to in Collections and myself in which this was agreed to be actioned, for which I apologise. I have raised a complaint with these issues for our complaints team to investigate for you.*

*Unfortunately, [the Provider] is not permitted to simply remove the adverse information on your Credit File as a gesture of goodwill or for incorrect information provided. A removal of accurate information recorded with the ICB would be a breach by [the Provider]. Any data provided to the ICB has to accurately report how the account was managed prior to the closure of the account. I can confirm [an] amendment to the ICB to reflect the account has been closed and settled was actioned on the 25<sup>th</sup> July 2016.*

*The Collections Department is not the correct department to progress with these issues further and nothing further can be actioned from the Collections Team. As advised above I have raised a complaint with the issues raised for the Complaints Team to investigate."*

The Provider submits that the Complainant made several telephone calls to both its Collections Department and its Customer Service Department, and was advised that the information on his Credit File would no longer be reported to the ICB after 31 July 2016. The Provider submits that several telephone calls have taken place whereby the Complainant was given conflicting and inaccurate information. The Provider states that *"It appears that when discussing your Credit File you have been given information that would reflect that of an account within the United Kingdom and not an account administered by the ICB. This being that your account had been registered with a default and the information would no longer be reported to the ICB as of 31 July 2016. I can confirm this information is incorrect. Your account has not been issued with a default. The information [the Provider is] reporting reflects the period that payments were not made towards the account and as advised this is correct"*.

The Provider submits that it is clear that the advisors with whom the Complainant spoke with do not have the required knowledge to give advice regarding how the information is reflected on the Complainant's Credit File. The Provider states *"Due to the complexity of this type of query, our customers are asked to write in to our CAIS team. This is a specialised team that deal exclusively with customer Credit File issues. The reason we ask our customers to write in to this team is to allow the team to complete a full investigation and liaise with the Irish Credit Bureau. These types of queries are not dealt with over the telephone due to the extensive research that is required"*.

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The Complainant submits that he did not have time to write in to the Provider as he needed a response swiftly due to his pending mortgage application.

The Provider states *"the necessary emails were directed to our CAIS Team and the correct response was issued. That is that your Credit File had been updated to reflect a closure date of 15 May 2013. The adverse data prior to closure date however would remain"*.

In relation to the telephone conversation between the Complainant and the Provider's representative on 4 August 2016, the Provider submits that its representative advised that he would send further communication to the CAIS Team to try and overturn the decision. The Provider submits that its representative understood that this case could be overturned and advised the Complainant that his Credit File would be amended. The Provider submits that a request was put forward to its CAIS Team, however, it was not successful as it would be knowingly falsifying information to the ICB. The Provider submits that its representative issued the Complainant with an apology letter on 10 August 2016 confirming that the information he had provided to him in relation to this matter was incorrect.

The Provider states that *"It is undeniable that the level of service you have received in relation to this matter is exceptionally poor. I would like to extend my apologies for the catalogue of errors you have been faced with upon contacting both our Customer Service Department and our Collections Department. I can see that you have been eager to receive some clarity in the information you have been provided with and I am sorry that on this occasion [the Provider has] not been able to deliver. Please be assured that this matter has been viewed extremely seriously and has been raised with the Senior Managers of the individuals concerned. As a result of my findings, I am upholding this aspect of your complaint"*. The Provider goes on to state that *"I have reviewed your request for compensation for the sum of €65,000. I am unable to comply with your request as the information [the Provider is] reporting to the ICB is true and accurate. That said, I would like to offer you compensation in the sum of €500.00 in respect of the poor customer service you have received in relation to this matter"*.

Having carefully considered all of the evidence before me, it is clear that the Provider has, on a number of occasions, provided the Complainant with incorrect and conflicting information. The Provider firstly advised the Complainant of an incorrect date that the loan would no longer show up on his Irish Credit Bureau report; secondly, it incorrectly advised the Complainant during a telephone conversation on 4 August 2016 that it could remove the loan from his credit report, in circumstances where it could not do so; thirdly, there was a significant delay on the part of the Provider in reporting to the Irish Credit Bureau that the loan account was settled in May 2013 and it failed to issue the Complainant with a closure letter at the time.

While I note that the Provider states that *"Due to the complexity of this type of query, our customers are asked to write in to our CAIS team. This is a specialised team that deal exclusively with customer Credit File issues"*, there is no evidence before me to confirm that the Provider requested the Complainant to do so. Indeed, it would appear that the Provider's Customer Service Department and Collections Department proceeded to provide advice to the Complainant regarding his ICB profile.

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While I note that the Provider has offered the Complainant compensation in the sum of €500.00 in respect of the poor customer service received, I am of the view that this is insufficient compensation for the significant lapses in service by the Provider.

Reports to the ICB are very important as they can have significant impacts for the person concerned. I would expect a financial service provider to take more care in its reporting and in the information it provides to customers in this regard.

To conclude, to mark the Provider's failure to accurately report to the ICB in 2010 when it decided to no longer pursue the Complainant for the debt, its failure to highlight the implications of reactivating the account in May 2013 and its incorrect and conflicting information provided to the Complainant in July and August 2016, I direct the Provider to make a compensatory payment in the sum of €7,500.00 to an account of the Complainant's choosing within a period of 35 days of the nomination of account details by the Complainant to the Provider.

### **Conclusion**

- My Decision pursuant to **Section 60(1)** of the **Financial Services and Pensions Ombudsman Act 2017**, is that this complaint is substantially upheld, on the grounds prescribed in **Section 60(2)(g)**.
- Pursuant to **Section 60(4) and Section 60 (6)** of the **Financial Services and Pensions Ombudsman Act 2017**, I direct the Respondent Provider to make a compensatory payment to the Complainant in the sum of €7,500.00, to an account of the Complainant's choosing, within a period of 35 days of the nomination of account details by the Complainant to the Provider. I also direct that interest is to be paid by the Provider on the said compensatory payment, at the rate referred to in **Section 22** of the **Courts Act 1981**, if the amount is not paid to the said account, within that period.
- The Provider is also required to comply with **Section 60(8)(b)** of the **Financial Services and Pensions Ombudsman Act 2017**.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.

**GER DEERING  
FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

17 July 2018

Pursuant to *Section 62 of the Financial Services and Pensions Ombudsman Act 2017*, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

(a) ensures that—

- (i) a complainant shall not be identified by name, address or otherwise,
  - (ii) a provider shall not be identified by name or address,
- and

(b) in accordance with the Data Protection Acts 1988 and 2003.