

The complaint

Mr G complains that Leeds Building Society didn't update his credit file promptly after he repaid his buy to let mortgage.

What happened

Mr G repaid his buy to let mortgage on 1 August 2023. He re-mortgaged with another lender. Mr G says the new lender reported his new buy to let mortgage to the credit reference agencies in August 2023. However, in early September 2023, his credit report was still showing his buy to let mortgage with Leeds. Mr G says this was a problem because he wanted to start an application to re-mortgage his residential property as his interest rate product was due to expire in February 2024.

Leeds said it reports information to the credit reference agencies each month, covering the previous month. It says the credit reference agencies can then take time to update customers' records. Leeds said the timescales for reporting information are set by the credit reference agencies. Leeds reported the redemption of Mr G's mortgage in early September 2023. By mid-September 2023 Mr G's credit report showed the mortgage had been redeemed.

Our investigator said Leeds had explained the process to Mr G and couldn't be held responsible for a process it was unable to change.

Mr G didn't agree. He asked why Leeds allows its customers to be treated in this disadvantageous way by the credit reference agencies. He said other lenders report information more quickly.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr G re-mortgaged his buy to let property on 1 August 2023. He says his new lender reported the new buy to let mortgage to the credit reference agencies during August 2023. But when he checked his credit report at the beginning of September 2023 it hadn't been updated to show he'd repaid the mortgage with Leeds. Mr G says until this was done, he was unable to start an application to re-mortgage his residential property.

Leeds told Mr G that it reports information to the credit reference agencies on the first Monday of each month, reporting events in the previous month. It told him that this timescale is set by the credit reference agencies. It said the credit reference agencies can then take up to 30 days to update a customer's records. Leeds arranged for Mr G's credit files to be updated on an urgent basis in early September 2023.

Mr G asks why Leeds allows the credit reference agencies to dictate when it reports information. He considers this timescale puts Leeds customers at a disadvantage as compared to customers of other lenders.

Leeds told Mr G it had taken account of what he'd said, and how this could disadvantage some customers. It said this issue had been raised for review internally. I don't know if Leeds would be able to change when it reports information to the credit reference agencies – the timing seems to be set by the credit reference agencies. But what changes, if any, Leeds makes to its processes following Mr G's complaint is a matter for Leeds. I can't fairly require Leeds to report to Mr G about its internal processes or what discussions it might have with third party businesses.

I must be clear that this service isn't a regulator, and we don't have the powers of a regulator. If Mr G considers there's a wider problem with the way credit reference agencies ask lenders to report information this might be better raised with the Financial Conduct Authority or the credit reference agencies. I must also be clear that I can't consider here the actions of a third party, such as the credit reference agencies. I'm only looking into Mr G's complaint about Leeds.

Our role is to provide an informal dispute resolution service. If I find that Leeds made errors or was unfair in how it dealt with Mr G I can ask it to put matters right.

I don't think that's the case. Leeds usual process would have been to report the redemption of Mr G's mortgage to the credit reference agencies in early September 2023. It didn't make an error or treat him unfairly when it didn't report this in August 2023. When Mr G raised his concerns, Leeds arranged for his credit file to be updated on an urgent basis.

Mr G told Leeds in mid-September 2023 his credit file had been updated to show that his mortgage with Leeds had been redeemed. He said he hadn't yet started a re-mortgage application, but wasn't aware of any financial loss. In the circumstances, I don't think it's fair and reasonable to require Leeds to take further action regarding this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 May 2024.

Ruth Stevenson
Ombudsman