

The complaint

Mr B complains that TSB Bank plc incorrectly registered a default on his credit file.

What happened

Mr B says he closed his TSB accounts in 2021 and was unaware there was interest still to be applied to them. He says he moved address and applied for a mortgage as well as car finance both which were refused. Mr B says he realised TSB had registered a default on his credit file. He would like the defaults removed and appropriate compensation.

TSB accepts it made a mistake and shouldn't have registered a default. It has apologised and paid £750 compensation. TSB says it will consider additional compensation for Mr B's costs which he says he paid, such as a mortgage broker fee of £495 if he provides evidence.

Mr B brought his complaint to us and says he would like £2,500 compensation. He says the adverse information is still on his credit file.

Our investigator didn't uphold the complaint and thought the compensation appropriate.

Mr B doesn't accept that view and questions what other evidence he can provide.

I asked Mr B for further information and for a copy of his credit file. I also asked for evidence of the broker fee as well as the dates he applied for the finance or evidence of the applications. Mr B has not replied to that request.

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.

Having done so I have come to the overall view that TSB has paid a fair and reasonable compensation amount and has fairly told us it has removed any adverse information from Mr B's credit file.

There is no dispute that TSB made a mistake by registering the defaults on Mr B's credit file. I have no doubt that had an impact on Mr B, and he would have been caused distress and inconvenience when he discovered that. I also accept that a default can impact on applications for lending.

The only issue for me to consider is the compensation level. I appreciate Mr B has provided some evidence of a refused mortgage application and car finance. I don't think either document is dated, and I find it's impossible to be sure in those circumstances those refusals are linked to the default. I would have expected Mr B to at least have been able to have provided dates of the application and provided us with more evidence of them. And I can see that TSB has fairly said it would consider further compensation if Mr B could provide it with evidence of any expenses or costs he incurred.

I can also see that Mr B told TSB he paid a mortgage broker fee of just under £500 which

again I would have expected TSB to have paid compensation for, if it received appropriate evidence. I have asked Mr B to provide such evidence which I think would be relatively straightforward to provide as there must be documentary evidence of it. But as Mr B hasn't replied to my request then I can't fairly order TSB repay that amount in these circumstances.

Overall, I accept Mr B was caused distress and inconvenience which took some time to sort out. I have not seen any evidence from Mr B's credit file, despite a request for it, that shows the defaults are still registered. So, I'm satisfied that there is no evidence of direct financial loss here and that the compensation payment of £750 is appropriate. I find such an award in line with the type and amount of awards we would make for this type of issue. And that award fairly considers that this issue took some time to sort out.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 December 2023.

David Singh
Ombudsman