

The complaint

Mr P complains Salary Finance Limited (SFL) continued to report negative information to the credit reference agencies (CRAs) regarding his loan after it'd been paid off.

What happened

In October 2022 Mr P repaid his debt with SFL, but despite that saw them continuing to report negative information on his credit file with the CRAs. Mr P said this caused him immense stress.

SFL said the correct process wasn't followed from their side to close the loan down. They said they would arrange to update the CRAs and this could take six to eight weeks. And, to say sorry, they offered Mr P £100 in compensation.

Mr P has told us he initially accepted this amount. But then the money wasn't paid to him and he said SFL had started to ignore him, so he asked us to look into things.

One of our Investigators did so, and felt £200 compensation was a fairer reflection of the distress SFL had caused Mr P.

SFL accepted this, but Mr P didn't. He said he thought a further £500 compensation, in addition to the £100 that'd now been paid to him, was fairer. Our Investigator put that to SFL, but they didn't agree, so the complaint's been passed to me to decide.

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.

It's not in dispute SFL haven't handled things fairly. They accepted they didn't update Mr P's credit file when they should have done – and it doesn't appear to be in dispute either they've provided him with poor service when he was raising these issues. So, the only thing I need to decide is fair compensation to put these matters right.

Mr P has said this event has had a significant detrimental impact on his emotional and financial wellbeing – and that it's been the most stressful thing in his life.

I'm genuinely sorry to hear of the impact Mr P has experienced as a result of SFL's errors. I agree with our Investigator £100 isn't enough to recognise the impact to Mr P. But, I do think the £200 recommended is a fair amount.

I say that because when raised to SFL they accepted they'd make a mistake and arranged to fix it. I do think their communication following this needed to be better – as they seemingly started ignoring Mr P. But, overall, they recognised they'd made a mistake once it was flagged to them and took steps to resolve the issue. So, I'm satisfied £200 compensation in total is fair and in line with our guidelines.

My final decision

I uphold this complaint and require Salary Finance Limited to pay Mr P a total of £200 compensation for this complaint. They can deduct any payments already made from the final amount they send to Mr P.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 9 January 2024.

Jon Pearce
Ombudsman