

The complaint

Mr L is upset that Zopa Bank Limited (who I'll call Zopa) reported a missed payment to his credit file in error and that they gave him inaccurate information about the balance due on his account.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

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.

I agree with the investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Zopa accept that they shouldn't have reported a missed payment on Mr L's loan as he was in an arrangement to pay and, through no fault of his own, Mr L's repayment hadn't cleared in time. They also accept that they quoted the wrong balance to Mr L. In total they have offered to pay him £100 to compensate him for the distress and inconvenience caused by those errors.

Our investigator suggested that Zopa should pay an additional £75. I would agree that that more fairly reflects the degree of distress and inconvenience Mr L has experienced. He's had to escalate his complaint to this Service when I think it could have been resolved earlier and I can understand he would have been concerned about the impact on his credit file and confused about the balance that remained on his credit agreement. Zopa appear to have corrected his credit file in quick time and they have provided evidence from their internal system to show they are no longer reporting the missed payment. While they made a mistake with the balance on the account it wouldn't be fair to suggest they should be bound by that mistaken balance.

Putting things right

Considering all of the evidence, I think Zopa should pay Mr L an additional £75 to reflect the degree of distress and inconvenience he's experienced more accurately.

My final decision

For the reasons I've given above, I uphold this complaint and tell Zopa Bank Limited to pay Mr L £175 in compensation for the distress and inconvenience he's experienced. They may deduct anything that has already been paid and the payment should be made directly to Mr L and not be used to reduce the balance on his account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 February 2024.

Phillip McMahon
Ombudsman