



The complaint

Mr J and Mrs D complain about the information Topaz Finance Limited, trading as Heliodor Mortgages, has recorded on their credit files about an unsecured loan which is linked to their mortgage.

What happened

Mr J and Mrs D took out a 'Together' mortgage in 2007. This consisted of a secured loan and a smaller, linked, unsecured loan. In November 2019, the mortgage and loan were sold to Heliodor, which is the respondent to this complaint.

In July 2022, Mr J repaid the unsecured loan in full. He also made a complaint. He said that four missed payments had wrongly been recorded on his credit file, between September 2019 and January 2020. He said he had been in payment arrangements during this period and hadn't missed any of the agreed payments.

Heliodor said it hadn't recorded missed payments on Mr J's credit file. It had, however, failed to record that a payment arrangement was in place in September, October and December 2019. It apologised, said it would amend the credit file, and offered £50 by way of compensation. It also said no payment arrangement was in place in January 2020, so it wouldn't be amending the credit file information it had reported for that month.

Mr J referred the complaint to the Financial Ombudsman Service, and Mrs D joined the complaint. Mr J said his credit file still wasn't right and showed missed payments. He also said this was having a significant financial impact on him, leaving him unable to obtain credit at reasonable rates of interest or get a mortgage, all of which also caused considerable stress and anxiety.

Our Investigator found that Heliodor had accepted it hadn't correctly recorded Mr J's arrangement to pay on his and Mrs D's credit files, but that it had since put that right. He also concluded that Heliodor's offer of £50 compensation was fair in the circumstances.

Mr J didn't accept that and asked for an Ombudsman's review. He said it had taken longer than it should have done for his credit file to be amended, and he had made the minimum payment required in January 2020, so he hadn't missed that month's payment. He also felt the stress and severe mental impact of this matter had been overlooked.

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, while I realise this isn't the outcome Mr J and Mrs D were hoping for, I've come to the same conclusions as the Investigator did, for much the same reasons. I think Heliodor has done enough to put things right, and it has made a fair and reasonable offer of compensation.

There's no dispute that Heliodor made mistakes with its credit file reporting. It didn't correctly record all the payment arrangements Mr J had come to with it and which he kept to.

While Mr J did make a payment to the loan in January 2020, this wasn't under a payment arrangement and the loan was still in significant arrears – so I think Heliodor was right to report no arrangement as having been in place for that month. Its records say it reported Mr J's payment as having been received, not missed, and I think that was also correct.

Heliodor's credit file records now reflect that an arrangement to pay was in place for the whole period between January 2019 and July 2022, apart from for January 2020. They also show that the loan was settled in full in July 2022. It has recorded that the loan was in arrears throughout this period, but I find nothing to indicate that this is incorrect.

I therefore find that Heliodor has taken reasonable steps to correct the credit file information it has recorded for this loan.

Mr J has said that the wrong information on his credit file had a significant impact on him and he should fairly receive compensation to reflect that. However, the transaction history I've seen for the loan shows that it had been in arrears for several years before it was repaid in 2022. The arrears had been reducing (from around £5,000 in September 2018 to around £4,000 by February 2020) but, against this background, I think it would be difficult to conclude that failing to report payment arrangements for some months is likely to have had much, if any, impact on whether or not Mr J could secure finance or on what terms. So I don't find that I can fairly make any award for financial loss.

I think that Mr J and Mrs D have been put to some inconvenience because of Heliodor's mistakes. In all the circumstances, however, I consider that £50 is a fair and reasonable award, so I don't require Heliodor to pay any more than that.

My final decision

My final decision is that Topaz Finance Limited, trading as Heliodor Mortgages, has made a fair offer. It should pay Mr J and Mrs D £50 compensation if it hasn't already done so and if they accept this final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr J to accept or reject my decision before 30 August 2023.

Janet Millington
Ombudsman