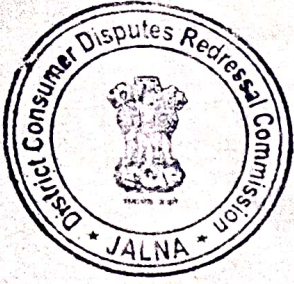


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By hand - 11/2/2025 -



1 Consumer Complaint No.201/2023.

Date of Filing : 07/11/2023.

Date of Judgment : 04/02/2025.

Duration: 14 Months 26 Days.

**DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION,**  
**JALNA.**

**CONSUMER COMPLAINT NO. 201/2023.**

1. Kailash S/o. Sakharam Jadhav,  
Age: 38 years, Occ.: Advocate,  
R/o. Pimpalgaon Barav, Tq. Bhokardan, Dist Jalna.
2. Randhir S/o. Vithal Pimple,  
Age: 43 years, Occ.: Agri.,  
R/o. Pimpalgaon Barav, Tq. Bhokardan, Dist Jalna. ....Complainants

**VERSUS**

1. The Branch Manager,  
Mahindra Housing Finance,  
Jalna Branch, Tq. & Dist. Jalna.
2. The Branch Manager,  
Mahindra Housing Finance,  
Jafrabad Branch, Tq. Jafrabad, Dist. Jalna.
3. The Branch Manager,  
Mahindra Housing Finance,  
Jafrabad Branch, Tq. Bhokardan, Dist. Jalna.
4. Managing Director,  
TransUnion CIBIL Ltd.  
(Formerly: Credit Information Bureau (India) Limited)  
Add. One World Center, 19<sup>th</sup> Floor, Tower 2A & B,  
Senapati Bapat Marg, Elphinstone Road,  
Lower Parel, Mumbai-400013. ....Respondents

**Coram**

(Smt. Aparna Hemant Kate, Hon'ble President)  
(Shri. Uday Dattu Dalvi Hon'ble Member)  
(Shri. Santosh Changdeo Nikule, Hon'ble Member)

Appearance:

For Complainants :- Adv. Mahesh S. Dhannawat.  
For Respondent No.1 to 3 :- Adv. Vipul V. Deshpande & Adv. Suraj Kharat.  
For Respondent No.4 :- Adv. Roshan H. Golechha, Adv. Shweta S. Khotari,  
with MLS Vani & Associates .

**JUDGMENT**

Dated:- 04/02/2025

(Per- Smt. Aparna Hemant Kate, Hon'ble President)

1. Present complaint is filed under section 35 of Consumer Protection Act 2019 alleging deficiency in service on the part of Respondents.
2. The case of Complainants in nutshell is that, Complainant No. 1 has availed a loan of Rs.1,00,000/- from Respondent No.1 in the year 2015. Complainant No.2 has also availed a loan of Rs.1,50,000 from Respondent No.1 and Complainant No.1 was guarantor for the said loan. The Complainant No.1 has totally repaid the loan amount along with interest but Respondent No.1 has not furnished the information about repayment of loan to Respondent No.4 and hence the same does not reflect in his CIBIL score. The Complainant No.2 has closed his loan account by way of settlement and no any suit is pending in any court of law, but yet the Respondent has willfully informed that civil suit is filed against Complainant No.1 and accordingly the remark of 'Suit Filed' is appearing in CIBIL score of Complainant No.1 creating difficulty in sanction of top up loan. No loan of Complainant No.1 is getting sanction for which the Respondents are totally responsible. The Complainant No.1 has sent legal notice to Respondents on 11/10/2023 and requested to correct the wrong remark of 'suit filed' from the CIBIL score. The notice



was duly served on the Respondents but they have not taken any action to correct the CIBIL score, hence complainants filed this complaint. Complainants pray for directing the Respondents to remove the wrong full entry of 'Suit filed' from the CIBIL score of Complainants and also to pay a total sum of Rs.3,77,000/- towards mental agony and cost of litigation.

3. The Respondents No.1 to 3 appeared and filed a common say. As per the Respondents No.1 to 3 they are engaged in the business of providing financial assistance to the customers as per their requirement. Complainants approached the answering Respondents and applied for a home loan. The entire loan agreement was explained to the Complainants in Marathi and only after knowing the contents, the Complainants put signatures on the agreement. The Complainants were having knowledge regarding the repayment schedule but have committed default in repayment and the defaulter is not entitled to any relief. The Complainant has settled his loan account and taken waiver in the amount of interest. Complainant has taken waiver in the repayment of the loan amount therefore the information of the person who is taking the waiver and benefits will definitely reflect in the record of the company. Complainant has committed default in repayment of the loan and therefore the Complainants themselves are responsible for their present CIBIL Score. The answering Respondent company is not responsible for the record kept by the Credit Information Bureau India Ltd.,(CIBIL company). It is not a duty of answering Respondent companies to provide information but on the other hand, information is collected by the said company. The legal notice sent by the Complainant was replied by the Respondent company where the Respondent company



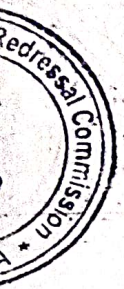
denied the liability regarding the information provided to the Credit Information Bureau of India Ltd. Respondent company denied the cause of action for filing a present complaint. The answering Respondent company is working in accordance with law and the Complainants are neither entitled for any compensation amount from the present Respondent nor entitled for any directions as sought in the prayer and the complaint needs to be dismissed.

4. Respondent No.4 appeared before the commission and filed its say. As per say of Respondent No.4, it is engaged in the business of creating, storing, retrieving, compiling, collating, collecting, processing and maintaining a data bank of credit information related to individuals and entities. Credit information is the credit history of previous and current borrowings, credits availed by both individuals and entities. This information is applicable on all loan products, credit cards etc. of credit information companies which will enable banks, credit institutions that are members of the credit information companies to readily assess the full credit history of any borrower. Respondent No.4 issues the credit information report in a standard format and it does not create information or provide inputs thereon. The answering Respondent helps the credit grantors/member, credit institutions to assess the CIR by which complete history of the credit applicant's credit record spread over different institutions is available to the credit grantors. The information is submitted to Respondent No.4 by its member credit institutions as required under the CICRA and rules and regulations made there under. That the Respondent No.4 only acts as a repository of credit information and any rectification in the database of credit information or change in the credit information can only be made in accordance with the provisions of



section 21(3) of the CICRA. Respondent No.4 can make a correction, deletion or addition of the credit information only after such correction, deletion or addition has been certified as correct by the concern credit institution. As such only a credit institution that is a bank and financial institution has a right to rectify, modify its respective credit information and Respondent No.4 cannot unilaterally make any correction to the credit information of the Complainant. It only collects credit information from its member credit institute and the credit information appearing in the credit information report is the information submitted to it. It is not responsible for the accuracy or any of the information reported, submitted by the members and such responsibility lies with the reporting institutions. It further submits that, when information, data as required under the Credit Information Act is submitted by member credit institution answering Respondent has no reason to believe that any information therein is incorrect. When a grievance with respect to credit information is raised by an individual or entity, the answering Respondent promptly deals with the said grievance by verifying its records and if required following up with the credit institutions that have reported the requisite credit information which is being disputed seeking necessary instructions for confirmation of the reported credit information or change if necessary.

5. The Respondent No.4 further submits that, on receipt of the instant complaint it observed that the Complainant is disputing the account information of the home loan account reported by Respondent No.1 to 3. As per the provisions of credit information act and as a prudent measure the answering Respondent raised the Complainant's grievance with Respondents No.1 to 3 vide email dated August 21,2024 to confirm the



status of the credit information with respect to said disputed account reported and requested to issue instructions for any deletion, addition or correction in the credit information with respect to the set disputed accounts. The response to the said email dated August 21, 2024 from the opposite party No.1 to 3 is awaited. The Respondent No.4 is not liable to pay any compensation to the complaints as it merely acts as a repository and statutorily bound to reflect the credit information as it is reported by the credit institutions/banks. It is submitted that all actions and deeds of the Respondent No.4 are as prescribed by the statutory provisions. The Respondent No.4 has also raised objection as to the jurisdiction of consumer commission to deal with the complaint however has submitted that if an order is passed directing the Respondent No.1 to 3 to instruct the answering Respondent as per the set process between Respondent No.1 to 3 and answering Respondent to make the required changes in the credit information of the Complainant the answering Respondent shall comply the order and has prayed to reject and dismiss the complaint as against Respondent No.4.

6. In view of the above the following points arise for consideration. Our findings and reasoning thereof are given as under;

Sr.No.	Issues	Findings
1.	Whether Complainant is consumer?	In Affirmative
2.	Whether there is deficiency in service by the Respondents?	In Affirmative (Only to the extent of Respondent No.1 to 3)

3.	Whether Complainant is entitled compensation & cost of complaint?	In Affirmative (Only to the extent of Respondent No.1 to 3)
4.	What Order?	As per final order?

### REASONS

7. **As per Issue No.1** - Complainants have availed loan from Respondent No.1 to 3 is an admitted position. Respondent No.4 is a credit information company (CIC) carrying on the business of maintaining credit information of individuals and entities and it charges fees for furnishing such credit information. Respondent finance company has availed the services of Respondent No.4 for maintaining credit history of their borrowers that is the complainants in the instant case. As such complainants are beneficiaries of such services because if they apply for loan in any bank or credit institution then the discretion of concern bank or credit institution for sanctioning of loan depends on the database maintained by Respondent No.4. As such complainants are consumers of respondents. Hence Issue No.1 is answered in affirmative.

8. **As per Issue No. 2 & 3** - The dispute involved in the instant complaint is about wrong entries in the CIBIL score of complainants. Perused credit history of complainants maintained by Respondent No.4. A remark of 'suit filed' is mentioned for the loan transaction of Complainant No.2 for which Complainant No.1 was guarantor. It is the contention of complainants, that no suit is filed against Complainant No.2 in any court of law, yet the wrong remark of 'Suit filed' is shown in the credit score as Respondent finance company has furnished wrong information. It is

admitted position that the Complainant No.2 has closed his loan account by way of settlement but there is nothing on the record to show that any suit is filed in the court of law. Even nothing about any civil suit is mentioned in the written statement of Respondents No.1 to 3. Rather the complainants had filed the copy of reply by respondent finance company to the notice sent by Complainant No.1 where in the respondent has clearly mentioned that no civil suit is filed against the complainant which clearly tends to establish that actually no civil suit was preferred by the respondent finance company. At the time of final hearing, the council for Respondent No.1 to 3 submitted that, a notice under section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 was issued to the complainants on dated 07/12/2022 and as legal action was initiated the remark of 'Suit filed' is appearing in the credit score. The copy of said notice is produced on record but there is nothing on the record to show that any suit was preferred in furtherance of the said notice. In fact the loan account was settled after the issuance of the above mentioned notice and no suit was actually filed in the court of law. Basically the said notice cannot be termed as a suit filed against the complainant and moreover it is evident from the documents produced on record that the remark of 'Suit filed' was mentioned in the credit score of the concern loan account even prior to the issuance of the above mentioned notice. The respondent finance company was supposed to furnish specific information with relevant details about the remark of Suit filed but no such record or evidence is produced before this commission. It is also the contention of respondents, that the loan taken by the complainant was overdue for payment and the bank could not recover it from the complainant. It is an admitted position



that, the loan account was closed by way of settlement but the remark of 'Suit filed' is all together different from the actual status. It is the responsibility of a credit institution to furnish correct and accurate information to credit information company but in the instant case, the respondent credit institution has not cared to furnish proper information.

9. As per section 21(3) of The Credit Information Companies (Regulation) Act, a borrower or a client may request a credit information company or a ~~Credit institution~~ to update the information whether by making an appropriate correction or addition or otherwise and on such request the credit information company or credit institution, as the case may be, shall take appropriate steps to update the credit information within 30 days after being requested to do so provided the credit information company shall make the corrections, deletion or addition in the credit information only after such correction, deletion or addition has been certified as correct by the concern credit institution.
10. The Complainant No.1 has sent notice to Respondent No.1 to 3 on 11/10/2023 and requested for effecting correction in his credit score. The copy of said notice is produced on record. So it was the duty of Respondent No.1 to 3 to take steps for correcting the information reflecting in the credit score of complainant but there is nothing to show that the respondent finance company forwarded the correct information to the credit company. Even as per RBI Master directions, in case of rejection of request for data correction the credit institution will have to inform customers the reason for the rejection of the request to enable such customers to better understand the issues.
11. But in the instant case, it is evident that the respondent financial company has not complied with the provisions of the said act and has



neither bothered to take cognizance of the request by complainant nor informed about the reason for rejection of his request. The act of respondents have created hardship for Complaint No.1 as he was in need of loan but due to the remark of 'Suit filed' in his credit score loan could not be sanctioned. Complainant has produced a letter by Bank of Maharashtra dated 25/09/2024 informing the Complainant No.1 about rejection of top up loan request as there was a entry of housing loan 'suit filed' as a guarantor to housing loan due to which his credit scorer was down. Also the complainant has filed a letter from KOGTA Finance which has also informed that due to entry of 'Suit filed' in credit history of Complainant No.1 they are unable to sanction his car loan. It is apparent that, in the instant case, as the remark of 'Suit file' was wrongly mentioned in the credit score of complainant No.1 the credit institutions where he applied for loan could not apply their discretion in proper manner. As the credit score of individuals depend on the information furnished by a credit institution which ultimately affects his further banking transactions and sanctioning of loans, it is the responsibility of the credit institution to furnish proper information and to see it is updated from time to time and also to take immediate action if any dispute regarding the entries is raised with them.

12. As per section 19 of the Credit Information Companies (Regulation) Act, the credit institution and credit information companies in possession or control of credit information shall take such steps to ensure that the data relating to the credit information maintained by them is accurate and complete and as per RBI Master directions, a credit institution is liable to pay compensation to its customers/individuals if failed to send updated credit information to credit information company by making appropriate



corrections, addition or otherwise within 21 days from the date of request. and the credit information company is liable to pay compensation if it fails to resolve the complaint within 30 days. Here in the instant case there is nothing on record to show that Respondent No.1 to 3 have informed Respondent No.4 about correction in the entries of credit score of complainant. As the credit information company cannot effect any change unless the concern credit institution has certified it as correct there seems no fault on the part of Respondent No.4. The Respondent No.4 has produced copy of the email communication with respondent finance company regarding the dispute raised by the complainant where in they have asked for correct information but there is nothing on record to show that, even after receiving those emails respondent finance company has taken any positive steps for furnishing correct information or clarifying the position to see the credit score of complainant is maintained properly and correctly. This act of Respondent No.1 to 3 amounts to deficiency in service towards the customer causing hardship and mental, physical agony and therefore the Complainant No.1 is entitled for getting his credit score corrected and also for compensation towards mental and physical agony. Hence we answer point No.2 and 3 in affirmative.

13. As per Issue No. 4 - In view of findings to Issue No.1 to 3 following order is passed.

**ORDER**

- 1) The complaint is partly allowed.
- 2) Respondent No.1 to 3 are hereby directed to give correct information about credit history of Complainant No.1 within 30 days to Respondent No.4 so far as loan transaction of Complainant No.2 is concerned.



12 Consumer Complaint No.201/2023.

- 3) Respondent No.1 to 3 are directed to jointly and severely pay Rs.25,000/- towards mental, physical agony and Rs.5000/- towards the cost of litigation to Complainant No.1 within 30 days from the date of this order.
- 4) Copy of order is to be provided free of cost to both the parties.

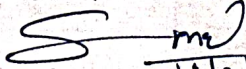
  
Santosh Changdeo Nikule  
Hon'ble Member

  
Uday Dattu Dalvi  
Hon'ble Member

  
Aparna Hemant Kate  
Hon'ble President

**DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION,  
JALNA.**

“प्रमाणित सत्यप्रत”

  
प्रबंधक 11/2/2023

जिल्हा ग्राहक तक्रार निवारण आयोग  
जालना.