

The complaint

Miss M complains about the date Nationwide Building Society registered a default on her credit file.

What happened

Miss M says Nationwide should have registered a default on her credit file in 2013 rather than 2015. She says the problems started on her account in 2013 and not 2015 and so the default ought to be backdated to then. Miss M says the default is causing problems in obtaining credit.

Nationwide says Miss M missed three consecutive credit card payments in early 2015 and so registered the default in May 2015. It doesn't accept making a mistake or that Miss M's account was badly run in 2013.

Miss M brought this complaint to us and our investigator didn't uphold it. The investigator thought Miss M had missed a couple of payments before 2015 but had missed a number of consecutive payments in early 2015 and so Nationwide didn't make a mistake by registering the default. The investigator also thought Nationwide had spoken to Miss M in April 2015 and told her it likely her account would default.

Miss M doesn't accept that view and maintains the default ought to have been applied earlier.

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 Nationwide hasn't made a mistake or acted unfairly by registering the default in 2015. I appreciate that Miss M will be disappointed by my decision.

The Information Commissioner's Office (ICO) gives guidance on the registration of a default and says a default ought to be registered where there are between three and six months missed payments and that the relationship between the parties has broken down. So, I have looked carefully at Miss M's account statements and I can see that Miss M used her account regularly up to 2015. I appreciate that before 2015 there were a couple of late payments, but I'm satisfied the problems started in 2015. I can see there were at least three months of missed payments and that Miss M was told by Nationwide the account was likely to default.

So, I don't think Nationwide in those circumstances made a mistake or acted unfairly by reasonably concluding that after three months of missed payments the relationship between it and Miss M had broken down. It follows that I think Nationwide was obliged to register a default on Miss M's credit file, as it is required to provide accurate information to the Credit Reference Agencies.

I appreciate Miss M says the default ought to be backdated to 2013 but I can't see that there were any account problems during that time or before 2015. I can also see that in 2015 Miss M didn't want to discuss a repayment plan with Nationwide as she was worried about a default being registered on her credit file.

Overall, I'm satisfied Nationwide hasn't made a mistake and correctly registered a default at the appropriate time. I can't order it to backdate the default in those circumstances.

I appreciate Miss M has other complaints about Nationwide that are being looked at by it and so I can't fairly comment on them in this decision.

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 Miss M to accept or reject my decision before 13 February 2021.

David Singh
Ombudsman