

The complaint

Miss H is unhappy that NewDay Ltd, trading as Marbles, have recorded missed payments on her credit file.

What happened

Miss H has a credit account with NewDay. In February 2020, Miss H didn't make the minimum payment that was due on the account. This resulted in Miss H going over her credit limit and she was charged fees because of this.

Miss H contacted NewDay and explained that she'd missed the payment in February because of a cancer diagnosis. NewDay placed a medical hold on Miss H's account which stopped interest and charges being applied. NewDay also reimbursed the charges that they had already applied to Miss H's account. However, Miss H didn't clear the arrears on her account, and this resulted in adverse information being recorded on Miss H's credit file.

Miss H wasn't happy about this. Miss H also wasn't happy that she'd subsequently made payments toward the arrears for some time, but that some arrears remained. So, she made a complaint.

NewDay looked at Miss H's complaint, but they felt that their recording missed payments on Miss H's credit file was fair, given that payments had been missed, and they also felt that their calculation of the arrears on the account was correct and that Miss H hadn't made the necessary payments to clear the arrears in full. So, they didn't uphold the complaint.

Miss H wasn't satisfied with NewDay's response, so she referred her complaint to this service. One of our investigators looked at this complaint. But they also felt that NewDay had calculated the arrears correctly, and that this meant that the information recorded on Miss H's credit file wasn't incorrect. So, they also didn't uphold the complaint.

Miss H remained dissatisfied, so the matter was escalated to an ombudsman for a final 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 can sympathise with Miss H's position here, and I realise the severe effect that a diagnosis such as the one that Miss H received can have.

In circumstances such as this, where a customer has informed a business that they are experiencing financial difficulty because of personal events, what this service would expect would be that the business would react positively and sympathetically to the customer and to help the customer from falling deeper into arrears on their account.

And, having reviewed how NewDay responded to Miss H, I'm satisfied that they did that here. NewDay reimbursed Miss H the fees that had been automatically applied to the account when the February payment was missed, and they placed Miss H's account on a medical hold which meant that further interest and charges wouldn't accrue on the account. This gave Miss H the opportunity to repay the balance owing on the account without that balance increasing further.

And it's also evident that NewDay later extended the medical hold on Miss H's account when it became clear that Miss H wouldn't be able to clear the outstanding balance by the time that the first period of medical hold was due to expire.

Miss H is unhappy that NewDay recorded missed payments on her credit file. However, while understandable in the circumstances at that time, Miss H did miss a minimum payment due on the account. As a provider of credit, NewDay do have a responsibility to make accurate reports to the credit reference agencies. And, while NewDay took action to ensure that the arrears on Miss H's account didn't increase, there were existing arrears on the account because of the missed payment. And these are the arrears that NewDay reported.

It must be noted that this service wouldn't expect a business to not report missed payments to the credit reference agencies because of those payments being missed, and remaining unpaid, because of a medical diagnosis. So, while I sympathise with Miss H here with regard to the personal difficulties she was facing at the time, I don't feel that I can censure NewDay for the reports that they've made to Miss H's credit file here, and I'm satisfied that that the reporting of the missed payments made by NewDay is reasonable and accurate.

I'm aware that Miss H doesn't feel that there should still be arrears present on her account and has questioned how this can be the case given that she has been making payments to repay these arrears for some time. However, having reviewed the statements on the account I'm unable to find any evidence that NewDay have miscalculated the balance owing on the account in any way.

Indeed, the only conclusion that I'm able to make here is that arrears continue to remain on Miss H's account because the sum total of all the payments that Miss H has made to date isn't sufficient to clear the balance outstanding on the account. And it follows from this that I'm satisfied that NewDay haven't acted unfairly by continuing to report those outstanding arrears to the credit reference agencies.

All of which means that it's difficult for me to conclude that NewDay have acted unfairly or unreasonably here, and so I won't be upholding this complaint or asking NewDay to take any further action at this time. I realise that this won't be the outcome that Miss H was wanting, but I hope that she can understand, based on everything I have explained above, why I have reached the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 4 May 2021.

Paul Cooper
Ombudsman