

The complaint

Mr W complains that Santander UK Plc (“Santander”) unfairly recorded a late payment on his credit file in July 2017.

What happened

Mr W holds an account with Santander. He took out a debt relief order in July 2017, which included the debt he had with regards to his Santander account. Mr W says he contacted the bank by phone at around that time and also visited them in branch, where he says he was told that the debt relief order and suspension of collecting the debt wouldn’t have an adverse impact on his credit file.

Mr W was unhappy to find that Santander had in fact recorded a missed payment on his credit file, despite the assurances he says he was given that this wouldn’t happen. Santander said they had no record of any such conversation with Mr W, either over the phone or in branch, and said that the late payment marker and default had been correctly applied.

Our investigator didn’t uphold the complaint. He didn’t think there was sufficient evidence to substantiate Mr W’s claims that no adverse information would be reported, so he didn’t think Santander had acted unfairly. Mr W disagreed, so the matter has been escalated to me to determine.

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 agree with the conclusions reached by the investigator and have decided not to uphold it.

I appreciate that Mr W recalls having conversations with Santander, where he says he was assured that no adverse information would be recorded against his credit file following the debt relief order. However, Santander have said that they no longer hold any call recordings from 2017 – which isn’t surprising considering the amount of time that has since passed. So there is no record of any such telephone call having taken place. They have also provided their system notes from July 2017 when the debt relief order was put in place, but there is similarly nothing to suggest any guarantees were given by Santander in the way described by Mr W.

I accept it’s entirely possible that Mr W did have conversations with the bank regarding his debt relief order and what this meant for his credit file. But I’m afraid there isn’t sufficient evidence to corroborate his version of events. Santander have said that the information reported concerns a missed overdraft payment in April 2017, that went into arrears in June 2017, and defaulted a month later in July 2017. So I’m not persuaded that Santander has acted unfairly here by reporting this information to Mr W’s credit reference agencies, as this is what they are obliged to do.

Santander have also said that they would've sent a written confirmation of Mr W's debt relief order after they received notification of it on 20 July 2017. They haven't been able to provide an exact copy of the letter sent to Mr W at that time, but they've provided a template of the standard letter that is sent, which explains that the credit reference agencies would need to be informed, with any defaults still being registered for six years. I appreciate that Santander cannot evidence that this letter was sent to Mr W, but it lends further support to the bank's position that they wouldn't have given Mr W any assurances that they would not report anything to the credit referencing agencies.

I also note that Santander sent a letter to the Citizens Advice Bureau ("CAB" – who were assisting with Mr W's debt relief order) which confirmed that the bank would be temporarily suspending collections, but that details of the debt would still be submitted to the credit referencing agencies. So, given this is what Santander told the CAB at the time, it doesn't seem likely that they would've told Mr W the complete opposite.

I appreciate this will come as a disappointment to Mr W, who understandably feels strongly about his complaint. But I'm afraid there just isn't enough evidence to substantiate his claims. And given that Santander are obliged to report accurate information to the credit referencing agencies, I'm not persuaded they've done anything wrong in these circumstances. So, I will not be directing them to take any further action.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 August 2021.

Jack Ferris
Ombudsman