

The complaint

Miss H complains that NewDay Ltd incorrectly recorded missed payments on her credit file after she made the payments due under her repayment plan.

What happened

Miss H is in a repayment plan after falling into financial difficulties. She says she contacted the company that managed her repayment plan in February 2021 about a reduction in payments and this was agreed. She also said that she had needed to delay her January payment which was also accepted. In March, Miss H reviewed her credit file and found that NewDay had reported missed payments for February and March 2021. She contacted the company managing her repayment plan and says it confirmed the payments had been made and these shouldn't be recorded as missed. There were then delays in getting a complaint raised and a further missed payment was recorded for April 2021. Miss H raised her complaint with NewDay and then referred it to this service.

NewDay issued a final response letter in June 2021. It said that late payments had been recorded correctly for January 2021 and February 2021 as no payments were received.

Our investigator didn't uphold this complaint. He said that NewDay had provided evidence that showed after the payment received on 29 December 2020, no further payment was then received until 1 March 2021. He noted that on Miss H's bank statement a payment was recorded on 26 February 2021, which he understood wasn't received on the account until 1 March 2021. He didn't think that NewDay had acted unfairly and so he didn't uphold this complaint.

Miss H didn't agree with our investigator's view. She noted that she had explained why the January payment had been missed but said that she shouldn't have ongoing missed payments recorded for March and April.

NewDay confirmed that late or missed payments hadn't been recorded on Miss H's credit file for March and April. Miss H checked her credit file again and said the missed payments for March and April were no longer showing but that a 'Q' (query) status had been applied to her account for a number of months when she had been making her payments. NewDay said that a 'Q' status didn't have any adverse effect on Miss H's credit rating. It said when a complaint is received a block is applied to the account until the case has been closed. And once the complaint is resolved the query block is removed.

Our investigator didn't think NewDay had done anything wrong. Miss H didn't agree. She still didn't think it fair that a 'Q' status had been applied to her credit file when her payments been made.

As a resolution hasn't been agreed this case has been passed to me, an ombudsman to issue a 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.

This complaint has been raised against NewDay and so while I note the concerns Miss H has raised about the service (delays in call backs etc) provided by the company managing her repayment plan, I have only considered the issues that NewDay is responsible for.

I can see why Miss H is upset as she initially believed that adverse information was being applied to her credit file for several months when she was making her payments in line with her repayment plan. However, through this investigation it has been confirmed that late payment markers were only applied to Miss H's credit file in respect to her January and February 2021 payments (not March and April 2021) and therefore I have only considered whether the January and February markers were fairly applied.

Miss H has explained the reason for her January payment being missed and NewDay has provided evidence that the first payment in 2021 was received until 1 March 2021. NewDay is required to provide accurate information to the credit reference agencies and as the payments weren't made by the due date in January and February 2021 I do not find I can say NewDay has done anything wrong by recording this.

Miss H provided an extract from her credit file which showed a 'Q' marker against a number of months. I can appreciate why she was concerned by this and I understand why she feels this could give the impression that she hadn't been making her payments when she had. However, NewDay has explained the reason for the 'Q' marker is due to a block being placed on the account when a complaint is being investigated and that this is its usual business process. Therefore, I cannot say that Miss H has been treated unfairly. NewDay has confirmed this has no impact on Miss H's credit rating and will be removed once the complaint is resolved. I think this addresses this issue.

I appreciate that Miss H doesn't think she has been provided with the service she should have by NewDay in regard to its response to her complaint. However, I note that NewDay did respond to Miss H's initial dispute put forward to NewDay by the company managing the repayment plan in April. Miss H referred her complaint to the Financial Ombudsman Service and NewDay issued a final response and clarified the issues raised.

Overall, while I understand this issue has been upsetting for Miss H, as NewDay has confirmed late payment markers were only applied for the January and February 2021 payments and the evidence provided shows these weren't received into the account on time, I do not find I can uphold this complaint.

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 24 May 2022.

Jane Archer
Ombudsman