

The complaint

Ms A is unhappy that Bank of Scotland plc trading as Halifax ("Halifax") put a marker on her credit file which has meant she is unable to obtain credit from other banks. She is also unhappy about the letters she's been sent and fees applied to her account whilst she's been in a Debt Arrangement Scheme.

What happened

Ms A entered into a Debt Arrangement Scheme ("DAS") on 19 December 2016. Halifax reported this information to the credit reference agencies ("CRA") it subscribes to. When applying for an overdraft with another bank Ms A's credit report showed marker as having an unpaid debt. She also received letters from Halifax about having an unpaid balance.

Halifax says the information it reported to the CRA's was correct and that because she was in a DAS that meant her arranged overdraft was removed and as a result shows that she is an unarranged overdraft.

Halifax also confirmed that no fees had been applied to her account whilst she's been in a DAS and that the letters she received are to notify her of the status of her account. Though the letters aren't asking for payment it recognised it caused confusion and offered Ms A £25 compensation.

As Ms A was dis-satisfied with this she brought her complaint to this service. One of our adjudicators looked into Ms A's concerns and reached the conclusion that Halifax hadn't done anything wrong and had treated Ms A fairly and so didn't recommend the complaint be upheld.

Ms A disagreed, so the complaint was passed 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.

Having considered everything provided, I've decided not to uphold Ms A's complaint.

My role is to look at the problems Ms A has experienced and see if Halifax has done anything wrong. If it has, I would seek – if possible - to put Ms A back in the position she would've been in if the mistakes hadn't happened. And I may award modest compensation that I think is fair and reasonable.

Ms A's main complaint point is that her credit report was showing an unpaid debt. So the question I have to ask is whether Halifax did anything wrong in what it reported to the CRA's it subscribes to.

Halifax has a duty to make sure the information it reports on its customers affairs to the credit reference agencies it subscribes to is factually accurate. Ms A entered into a debt

arrangement scheme on 19 December 2016 and has been making regular payments towards this since.

Ms A is concerned that her credit report is showing that she has an unfulfilled debt when she is paying back the debt under the plan. But when she entered the DAS this meant her arranged overdraft was removed leaving with an outstanding debt which Halifax duly reported to the CRA's. So as the information it has reported is factually accurate, I can't say it has done anything wrong here.

I understand Ms A is confused why her credit report is different depending on the CRA. But Halifax has no control over how the CRA's display the information reported to it. So again, I can't say Halifax has done anything wrong.

Finally, I've noted Ms A has received a number of letters from Halifax regarding the debt. Halifax has confirmed it is unable to stop all letters as it is reporting the status of her account but due to the possible confusion the letters caused offered Ms S £25 which I think is fair and reasonable in the circumstances of this case so I'm not asking it to do any more here.

So overall and having considered everything I don't think Halifax treated Ms A unfairly or unreasonably which means that I'm not upholding this complaint.

My final decision

For the reasons I've explained, I'm not upholding Ms A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 14 July 2022.

Caroline Davies
Ombudsman