

The complaint

Mrs A complains NewDay Ltd recorded missed payments on her credit file despite agreeing a payment holiday on her credit card account.

What happened

Mrs A is assisted in bringing her complaint by a third party. For simplicity, I've referred to all comments as having been made by Mrs A.

Mrs A holds a credit card account with NewDay.

On 7 October 2021, Mrs A arranged a payment holiday with NewDay. They said she wouldn't need to pay anything until the payment holiday ended on 14 January 2022. NewDay wrote to Mrs A confirming the agreement. No repayments were made during the payment holiday. NewDay wrote to Mrs A on 4 January 2022 to remind her the payment holiday was coming to an end.

Mrs A contacted NewDay again on 18 January 2022 and arranged a further repayment holiday. But in February 2022, Mrs A discovered NewDay had reported a missed payment on her credit file. She didn't think this was right. So, she contacted NewDay to complain.

NewDay didn't agree they'd made a mistake. They said the minimum payment requested on Mrs A's statement in September 2021 had been due on 14 October 2021. But as a payment holiday was agreed on 7 October 2021, that payment didn't need to be made until the payment holiday ended on 14 January 2022. But they didn't receive that payment.

Mrs A didn't think this had been clear to her during her call on 7 October 2021. NewDay were unable to retrieve a recording of that call. So, they apologised to Mrs A for this and paid £25 to compensate her for the trouble and upset caused. But they weren't prepared to remove the missed payment reported on her credit file. They said it had been made clear in their letters to Mrs A that any payments previously due would need to be paid as soon as the payment holiday expired (i.e. by 14 January 2022).

Mrs A wasn't happy with NewDay's response to her complaint. So, she decided to refer matters to this service. Having completed a full review of Mrs A's complaint, our investigator didn't think NewDay had done anything wrong when they recorded a late/missed payment on Mrs A's credit file.

Mrs A didn't agree with our investigator's findings. She said the payment wasn't made because she was on holiday. She also thought NewDay hadn't provided sufficient proof that she was told she had to make a payment by 14 January 2022.

As an agreement couldn't be reached, Mrs A's complaint has been passed to me to consider.

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've seen copies of Mrs A's credit card statements from September onwards. The statement dated 14 September 2021 shows a payment due of £153.23 by 11 October 2021. This

consisted of a contractual minimum payment of £75.88 and arrears of £77.35. The statement shows that no payment had been received by NewDay since her previous statement. A later statement shows Mrs A made a payment of £77.35 on 21 September 2021. This meant that she needed to pay £75.88 by 11 October 2021.

The repayment holiday was agreed by NewDay during a call on 7 October 2021. Mrs A says that during that call, NewDay didn't make it clear she needed to make a payment on 14 January 2022 – when the repayment holiday ended. NewDay paid Mrs A £25 because they couldn't recover a recording of that call. There is no regulatory or legal requirement for NewDay to record and retain calls. But here, they've recognised that by the call not being available, they were unable to clarify exactly what Mrs A had been told. So, in these circumstances, I think the compensation paid by NewDay feels fair.

I've considered the letters NewDay sent to Mrs A. A letter dated 7 October 2021 says, *...your repayment holiday has started... Until 14th January 2022...you do not need to make any monthly payments...If there were any amounts already overdue at the time the payment holiday started, you will have to pay these immediately when the payment holiday ends.*

NewDay also wrote to Mrs A again on 4 January 2022. They said, *...your payment holiday will end on 14th January 2022...Any payments that were already due before your payment holiday began will become immediately payable on 14th January 2022*". I think this makes it very clear that Mrs A needed to pay something by 14 January 2022.

I'm satisfied Mrs A was sent both of these letters. I'm also satisfied Mrs A had the opportunity to contact NewDay and clarify anything she wasn't clear about or thought contradicted what she'd been told during her call on 7 October 2021. So, I can't reasonably say that NewDay hadn't made their requirements clear.

The statement issued to Mrs A in September 2021 showed what needed to be paid. And as this statement predated the payment holiday agreement, it was apparent this needed to be paid as soon as the payment holiday ended. So, while there's no evidence to show that NewDay told Mrs A this during her call on 7 October 2021, I think NewDay's letters made this clear.

I accept that Mrs A contacted NewDay again on 18 January 2022, when a further payment holiday was agreed. But as the previous one had already expired; this was a new payment holiday rather than an extension or continuation of the previous one. So, I think Mrs A still needed to have made the required payment by 14 January 2022. And as she didn't, I don't think NewDay did anything wrong when they reported that to the credit reference agencies.

The Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies ("PRAAD") are published by the Information Commissioner's Office ("ICO"). These place an obligation on NewDay to report accurately and factually where payments are late or missed. That's what they did here. Mrs A's payment from her September 2021 statement was due to be paid by 14 January 2022. It wasn't received so was reported correctly and factually. And until the full amount was received by NewDay, this would continue to be reported each month until it was paid.

Mrs A mentioned to our investigator that she didn't make a payment on 14 January 2022 as she was on holiday. I appreciate this might have made things difficult practically. But I can't reasonably hold NewDay responsible for that – It wasn't within their control and they'd previously provided adequate notice.

I do realise Mrs A will be disappointed. But I can't reasonably find that NewDay have done anything wrong or treated her unfairly.

My final decision

For the reasons set out above, I don't uphold Mrs A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or

reject my decision before 14 September 2022.

Dave Morgan
Ombudsman