

The complaint

Ms S complains that Bank of Scotland plc, trading as Halifax, were wrong to report a missed payment to her credit file.

What happened

I issued my provisional decision on this complaint in June 2022. An extract from that provisional decision is set out below.

What I've provisionally 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'm expecting to uphold this complaint. Please let me explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Halifax reported a missed payment to Ms S's credit file in December 2020 when a payment they were expecting to be paid by direct debit was not received.

Ms S has provided evidence to show she set up the direct debit on 9 December 2020 and that Halifax agreed to collect her direct debit on 17 December, 6 working days later. That was ample time for the direct debit to be established. She's provided a response from the bank the payments were to come from, and I can see the payment wasn't made because the account was being reviewed for security purposes, that review was concluded shortly afterwards. It clearly wasn't a review that Ms S was aware of nor was it an issue for which the bank attributed blame to Ms S.

Financial organisations have a duty to provide accurate records of consumer's financial history. That in turn helps lenders and account providers to make more informed decisions on a consumer's financial situation.

But in this case I don't think it was fair of Halifax to continue to report a missed payment after Ms S had explained the situation. It wasn't a true reflection of her financial performance as Ms S clearly had the funds to make the payment and had done all she could be expected to do to ensure the direct debit was established. Once she realised the payment hadn't gone through she made sure payment of the whole balance was paid immediately and she's explained that she has never failed to do so in the ten years or so that she's had an account with the Halifax.

So, in those circumstances, I would agree with Ms S that it wouldn't be fair to keep reporting the missed payment and Halifax should remove it from her credit file.

I've considered whether to ask Halifax to compensate Ms S for reporting the missed payment, but I don't think that would be fair here. Halifax merely reported the fact that a payment had been missed, they did what they were required to do but it's evidence that has come to light later that demonstrates it's likely that wasn't a true reflection of Ms S's performance on the account.

My provisional decision

For the reasons I've given above I'm expecting to uphold this complaint and to tell Bank of Scotland plc to remove the missed payment marker from Ms S's credit file.

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.

Ms S was happy with the provisional decision and had nothing else to add.

Halifax accepted the outcome but wanted me to clarify whether I thought they'd done anything wrong or whether the issue had arisen because of the failure of the bank the payment was to come from. They said they didn't believe any missed payment had in fact been reported to the credit reference agencies and they provided a copy of Ms S's credit file from Experian that demonstrated no marker was showing. They said they'd be happy to remove any markers from the other providers (Equifax and TransUnion) if they were present, but they didn't have access to the reports.

Putting things right

I've already explained that I think this was a problem not of Ms S's making. The direct debit had been set up in ample time for the payment to be made. I can understand that when security checks prevented the payment being made Halifax may have sought to report the missed payment. They had an obligation to do so. But as Ms S had done all she could to ensure the payment was made on time I don't think it would be fair to report any issues to the credit reference agencies.

The redress I'm suggesting therefore remains unchanged and whilst I understand that Halifax have demonstrated a marker doesn't exist on one account, if Ms S can identify the accounts it has been reported to, Halifax will need to remove it.

My final decision

For the reasons I've given above I uphold this complaint and to tell Bank of Scotland plc to remove the missed payment marker from Ms S's credit file if, and when, she can identify the agency reporting it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 4 August 2022.

Phillip McMahon
Ombudsman