

## **The complaint**

Mr G complains about arrears information recorded on his credit file by NewDay Ltd.

## **What happened**

Mr G opened a credit card with NewDay in March 2018. Mr G later experienced some financial difficulties and fell into arrears. Mr G went on to arrange a Debt Management Plan (DMP) via a third party organisation.

In 2021 Mr G complained that, unlike other creditors, NewDay had failed to close his credit card and record a default. Mr G went on to refer his complaint to this service and it was reviewed by an investigator. They asked NewDay to backdate the default to September 2019, six months after Mr G's account first fell into arrears. NewDay agreed and Mr G accepted so his complaint was closed.

We received further contact from Mr G after he looked at his credit file. Mr G said that one of the credit reference agencies was incorrectly recording payments from 2017, including arrears. Mr G pointed out the monthly payment markers and arrears predated the point his account was opened with NewDay.

An investigator at this service upheld Mr G's complaint and asked NewDay to remove the incorrect information recorded and pay him £50. NewDay has repeatedly told us it's recording accurate information on Mr G's credit file. NewDay didn't accept the investigator's view. As a result, Mr G's complaint has been passed to me to make 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.

NewDay has confirmed Mr G opened his credit card in March 2018. And that's reflected by the start date recorded on Mr G's credit file. But one of the credit reference agencies contains too many monthly payments for an account that was only open for around 18 months. NewDay forwarded a copy of the information it reports. I've copied the relevant section below:

CREDIT LIMIT	£ 0	START DATE (DDMMYYYY)	10/03/2018
CURRENT BALANCE	£ 1044	DEFAULT DATE (DDMMYYYY)	30/09/2019
DEFAULT BALANCE	£ 1179	SATISFIED DATE (DDMMYYYY)	
START BALANCE	£ 0	UPDATE DATE (DDMMYYYY)	06/01/2022
CREDIT TERMS	£ 0	BIRTH DATE (DDMMYYYY)	29/03/1981
REPAYMENT PERIOD	0	FLAG	N - Not Applicable
PAYMENT FREQUENCY	M - Monthly	TRANSIENT ASSOCIATION INDICATOR	
CLIENT'S OWN INFO	Client's Own Info		
CURRENT STATUS	D - Default - failed to meet contractual obligations		
PAYMENT PROFILE	U00000000001222333344445555555566666666D		

The credit file information correctly shows the account start date and default date. But, the lowest row sets out the payment profile. It shows in excess of 40 monthly payments. And it shows a period of 31 months when the account was in arrears. But Mr G's credit card was only opened in March 2018 and NewDay agreed to reflect it as closed from September 2019 – 18 months. I agree with Mr G and the investigator that the number of arrears recorded is inaccurate and should be corrected.

In order to resolve Mr G's complaint, NewDay will need to ensure it only reports payments for an 18 month period from March 2018 until September 2019. All payments reported before March 2018 will need to be removed from Mr G's credit report.

I'm aware NewDay's case handler recently asked for an extension. But the investigators have been making the same points since March 2022 and I'm satisfied NewDay's had fair chance to respond.

I can see this issue has caused some inconvenience to Mr G, so I'm also going to tell NewDay to pay him £50 to reflect that.

### My final decision

My decision is that I uphold Mr G's complaint and direct NewDay Ltd to accurately report his payment profile, removing all payments reported on his credit file prior to March 2018 and after September 2019. NewDay Ltd should also pay Mr G £50 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 December 2022.

Marco Manente  
**Ombudsman**