

The complaint

Mr and Mrs S complain that Rooftop Mortgages Limited has wrongly allowed missed payment markers to remain on their credit files, and because of these markers Mr and Mrs S haven't been able to remortgage.

What happened

Mr and Mrs S said that when they took out a second payment holiday on two buy to let ("BTL") mortgages they hold with Rooftop, it made a mistake. They said this meant missed payments showed on their credit files. They said that meant they were now paying more for a number of BTL mortgages, and for car financing. Mr and Mrs S said this was having a severe financial effect on them, which in turn was affecting their health. They wanted the marks removed, and for Rooftop to pay all the extra costs they'd incurred as a result.

Rooftop said Mr and Mrs S had a payment holiday on two BTL mortgages from May to July 2020, inclusive. It then put a second payment holiday on these mortgages for Mr and Mrs S, in late November 2020. This payment holiday was actually partially backdated, to cover the payments due on both mortgages for November and December 2020, and January 2021. Rooftop said when it did that, it left a missed payment marker on Mr and Mrs S's credit files for the payment due on 1 November 2020. It was sorry about that, and it had fixed this.

But Rooftop said that on both mortgage accounts, no payment was received for August and September. So by September 2020, both mortgages were one month in arrears, and they were reported as in arrears at that time, with one missed payment being marked for each mortgage on Mr and Mrs S's credit files. On one of the accounts (ending 872) a double payment was made in October, so it wasn't reported as in arrears for October too. The other account (909) only received one payment in October, so it was also in arrears in October. Rooftop said that wasn't a mistake, and it wouldn't take these markers off.

Our investigator didn't think this complaint should be upheld. She said that Rooftop accepted it had made mistakes over the credit file entries for November 2020. But the other markers were for payments that had been missed. They had been correctly recorded.

Our investigator also said she could see that Mr and Mrs S had been turned down for a mortgage, but she couldn't say that what Rooftop had done was the cause of that.

Mr S didn't agree. He said he'd prepared carefully for the mortgage application, and there was no other reason to turn down him and Mrs S, if it wasn't the adverse data from Rooftop. He said he'd lost the fee he paid for that mortgage application, because of Rooftop. He said Rooftop had apologised, and entirely upheld his complaint, but it just hadn't done anything to put things right.

Our investigator didn't change her mind. Because no agreement was reached, this case was passed to me for a final decision. I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold one part of it. This is what I said then:

Rooftop accepts it made a mistake over part of Mr and Mrs S's credit reporting. It told credit reference agencies ("CRAs") that they had missed payments for the start of November 2020. But it had agreed to put a payment holiday on their two mortgages (account numbers ending 909 and 872) from early November. So those missed payment markers recorded by Rooftop for November 2020 were wrong.

But Rooftop said that other missed payment markers on these two accounts weren't wrong. It has shown us that Mr and Mrs S missed payments in August and September for both these accounts. It has recorded one missed payment for account ending 872 (because Mr and Mrs S paid double in October for that mortgage) and it has recorded two missed payments for account ending 909 (because Mr and Mrs S didn't overpay in October).

Rooftop upheld Mr and Mrs S's complaint about the November 2020 missed payment markers. But it didn't uphold their complaint about markers for August and September 2020.

What Rooftop has shown us, does make me think that those payments were missed. And I've not seen anything to suggest that was Rooftop's fault. So I think this is accurate and fair reporting. Rooftop doesn't have to remove those missed payment markers from Mr and Mrs S's credit files.

I understand Mr and Mrs S may have paid back the missed payments since then. But Rooftop doesn't have to remove the missed payment markers because Mr and Mrs S's mortgages have since been brought up to date. I wouldn't expect it to do that.

When Mr and Mrs S applied for car finance in 2021, and then for a new BTL mortgage in 2022, they had missed payments on their credit files. These markers were a mix of mistakes (for November 2020) and accurate and fair reporting.

I don't think the outcome of these applications would have been any different, if Rooftop hadn't made its one mistake, for November 2020. Mr and Mrs S would still have missed payment markers on their credit files. I don't think the one extra marker that Rooftop added by mistake is likely to be the reason why their applications were turned down, or why they've found it harder to get credit. I think that was likely to have happened anyway, because of the marks which I've said I think were accurate and fair.

Because I think that Mr and Mrs S would always have found it difficult to get car credit, and to remortgage, with missed payment markers on their credit files, I don't think Rooftop has to pay them any of the extra money that they are paying for their car lease or for their BTL mortgages now. I understand Mr and Mrs S are finding it difficult to meet these payments, and I'm sorry to hear that, but I just don't think this is Rooftop's fault.

I do, though, think that Rooftop shouldn't have made mistakes, and left adverse markers on Mr and Mrs S's credit files for November 2020, until late 2022. I can see Rooftop has said sorry for that, but it doesn't seem to have paid any compensation for that. And this mistake by Rooftop does appear to me to have distressed Mr and Mrs S, and prolonged the resolution of this issue for them. For that reason, I think that Rooftop should pay Mr and Mrs S £200 in compensation now.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

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.

Rooftop said it would pay the compensation I'd suggested.

Mr S replied to say that after two years of delays, Rooftop had finally corrected its mistakes. He said Rooftop managed to mark September and October 2020 correctly after his complaint was upheld. Mr S told us his credit score had improved significantly after this change.

But he said Rooftop had damaged his credit rating over two years prior to its eventual correction in September 2022. And Mr S said he couldn't go back and get the interest rates that were available when this mistake was still on his credit file. He felt that if this correction had been made sooner, he would have been able to get a remortgage at a better rate.

Mr S said he could no longer afford the properties at the rates he could get now, and was having to sell them. He felt he was being punished by Rooftop, and he said he'd paid nearly £20,000 extra mortgage interest already in the last 6 months to Rooftop. So he wanted me to reconsider the compensation award I'd suggested.

Mr S said that Rooftop had reported different late payments to different agencies, and he sent us different records of his credit files, which he said showed this.

I won't name the CRAs here. But what Mr S has shown us is that one CRA had, in May 2022, shown two missed payment on one mortgage, one for around September and one for around November. And on the other mortgage, the same agency showed three missed payments, for around September to November. That agency now holds two missed payments on one mortgage, for around September and October 2020, and one on the other, for around September 2020. Another, different, agency shows one missed payment on one mortgage, two on the other, at around the same time.

Mr S says that the other, different agency shows the missed payments in the wrong months. And he said that showed negligence by Rooftop. I don't agree with that. I don't think it's likely that Rooftop is sending different information to different CRAs. Rather, it's up to the CRAs, not Rooftop, how the information Rooftop sends to them is displayed. And it's not unusual for different CRAs to place the same missed payments in slightly different time periods. So I don't see anything inconsistent with my above decision in the credit reports Mr S has now shared with us.

Mr S has also shown us that his credit score has significantly improved recently. Although part of that improvement may be because Rooftop has removed two of the five missed payments on his credit file, I think most of the change is likely to be because the effect of missed payments on a credit score greatly diminishes over time, rather than because of the amendments Rooftop has made.

We know Mr S does have missed payment markers on his credit file, after Rooftop's amendments. That's what I would expect, because he has missed some payments onto his two mortgages with Rooftop. I think that's why Mr and Mrs S would always have had trouble remortgaging. And I explained in my provisional decision that, because I think these markers, which were both accurate and fair, would always have meant Mr and Mrs S would have difficulty remortgaging, I don't think Rooftop has to do anything now to put Mr and Mrs S in the position they would have been in, if they'd been able to remortgage earlier.

I understand that Mr and Mrs S are now struggling with the mortgage payments on these BTL properties, and I am sorry to hear about that. But for the reasons I've set out above, I just don't think this is Rooftop's fault. So, although I know Mr and Mrs S will be disappointed, I haven't changed my mind. I'll now make the decision I originally proposed.

My final decision

My final decision is that Rooftop Mortgages Limited must pay Mr and Mrs S £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 1 February 2023.

Esther Absalom-Gough
Ombudsman