

DRN-3880928



## **The complaint**

Mr H complains that The Co-operative Bank Plc ('Co-op') caused him to miss a credit card payment and wrongly told him that it intended to record that late payment with the credit reference agencies.

## **What happened**

Mr H held a credit card with Co-op. He says that he had a direct debit set up to make the minimum payment each month, and intended to change the account from which this payment was taken. Mr H says that he attempted to contact Co-op by telephone but was unable to do so due to waiting times. He wrote to Co-op on 12 December 2020 through its secure messaging service, providing the account number, sort code, and the name on the account from which he wished the direct debit to be taken.

Co-op says that it cannot take direct debit instructions in this manner, as there are certain details which it must provide to a customer before a direct debit can be agreed. It says that it wrote to Mr H through the same secure messaging service on 15 December 2020, asking him to telephone to put this amendment in place. Mr H says that calling to give these details was not the only option, and that he should have been advised that he could fill in the relevant forms online or else download and complete them.

As he had previously had difficulties getting through to a staff member when calling Co-op, Mr H did not call and says that, as he rarely used the card, he did not give the matter any further thought and assumed that the direct debit had been amended as he had instructed.

Mr H used the card in October 2021. He says that he did not receive a message from Co-op telling him that a statement had been produced in relation to that month, and so assumed that all was well. A payment to the account fell due on 18 November 2021, but was not made. Mr H says that this was due to Co-op's failure to set up the direct debit as he had instructed.

Mr H called Co-op on 26 November 2021. He told them that there seemed to be a problem with his direct debit. During the call, he was informed that there was no direct debit set up, and was taken through the steps to set one up. He was told that the previous direct debit which he had attempted to amend in December 2020, had been cancelled in March 2021.

Mr H explained that he had paid £100 to the credit card account, and the Co-op staff member agreed to refund the late payment fee. The staff member stated that the £100 payment was not yet showing on his account. They said that once the payment was received, his credit file would show the relevant factual information. They said that this would be a late payment but no outstanding arrears.

Mr H complained to this service about this information being added to his credit file in these circumstances. He felt that it was inappropriate given what he said were the bank's mistakes in relation to the direct debit.

In fact, Co-op never did register this information on Mr H's credit file. This only came to light after Mr H paid to check his file during the course of our investigation. Mr H says that the bank should have checked this at the outset of his complaint. By not doing so, Mr H says that the bank misled him and caused him a great deal of distress and inconvenience over a lengthy period.

The bank says that it was entitled to record a late payment in these circumstances, and that its failure to do so was an error. It has agreed to refund Mr H the money he spent obtaining a copy of his credit file.

Our investigator thought that the bank had done enough to put things right here. They thought that the mistake in not registering a late payment had been in Mr H's favour and that it did not need to do anything more.

Mr H did not agree and so this has come to me 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.

In relation to the direct debit, I am satisfied that the bank did not act unfairly or unreasonably in relation to Mr H. He contacted it through its secure messaging system, and I can see that they replied through that same medium. Given that he had used this system to get in touch, I am satisfied it was reasonable to think that this was a system to which he had access and which he was reasonably comfortable using. I have considered the additional information which was provided by each party during the call, and am satisfied that the bank acted reasonably in seeking this discussion before amending a direct debit. It was important that both parties be clear what was being done.

I understand Mr H's point that there were other ways than a telephone call to make these amendments. But I do not think that the short messages of the secure messaging system were intended for detailed messages setting out several options. A call was a reasonable suggestion, and Mr H has demonstrated that he could find other ways to set up the direct debit himself.

The appropriateness of the telephone as the way to change a direct debit was demonstrated when Mr H called in November 2021. The staff member took additional details to those which Mr H had provided in December, and gave additional details in return. I am satisfied that asking him to call was an appropriate way to deal with the amendment he wanted to make.

But the direct debit was not amended in December 2020 and no payment was made in relation to the November 2021 statement. While I understand Mr H's argument that he wasn't told that a statement had been produced, I am satisfied that he knew that he had used the card and that some payment must fall due. It fell to Mr H to make the payment by the due date, in line with the terms of the account. The fact that he made a payment of £100 demonstrated that he was able to make manual payments to the account. I do not think that the missed payment was the result of a mistake by the bank.

I have listened to the call of 26 November 2021, and have considered carefully what Mr H was told. Co-op says that the late payment should have been registered with the credit reference agencies, and that it was an error, rather than the operation of a policy, which prevented this. While it has offered suggestions as to why it was that Mr H's late payment wasn't registered, it is clear that its policy would support registration. In those circumstances, I think that the staff member was right to bring this to the attention of Mr H.

In fact, no such step was taken. The bank says that this was the error. While it might be an error in relation to their internal policies, I am satisfied that Co-op was not acting unfairly or unreasonably in relation to Mr H by failing to record the late payment. He did not suffer any detriment as a result in any event. Mr H says that the bank did not investigate properly and so did not tell him at the outset that it had never registered a late payment against his credit card. He says that the bank's responses have been unclear throughout the investigation. But there was no underlying detriment to him, as was revealed when he checked his credit file.

In these circumstances, I am satisfied that the only loss which was caused by the bank's mistake was the fee Mr H paid to carry out this check, which he would not otherwise have done. I think that offering to pay for Mr H's credit search is fair. While I can understand Mr H's frustration, I am not going to ask Co-op to do anything more than refund him the fee he paid for obtaining his credit file.

### **Putting things right**

In these circumstances, I am satisfied that the only loss which was caused by the bank's mistake was the fee Mr H paid to carry out this check, which he would not otherwise have done. I think that offering to pay for Mr H's credit search is fair. While I can understand Mr H's frustration, I am not going to ask Co-op to do anything more than refund him the fee he paid for obtaining his credit file.

### **My final decision**

For the reasons given above, my final decision is that The Co-operative Bank Plc must pay £14.99 to Mr H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 March 2023.

Marc Kelly  
**Ombudsman**