

The complaint

Miss I complains that Santander UK Plc (“Santander”) refused to amend her credit file despite upholding her complaint regarding the service she received when trying to evidence her status as a student and complete a budget planner to agree an arrangement to repay her overdraft.

What happened

Miss I held a student current account with Santander. The account came with an interest free overdraft for two years which then rolled over to a graduate account on 16 July 2018 for two years and thereafter an everyday account from 27 July 2020.

During a call in May 2020 Santander advised Miss I if she was continuing to study to visit a branch and provide her course details so it could update her account. The account was changed to an everyday account in July 2020. Due to the account not being funded correctly the account entered collections in November 2020 and the overdraft was removed in February 2021 as no arrangement had been set up to repay the debt.

From early 2021 Miss I tried to complete and submit a budget planner so she could come to an arrangement to repay her overdraft debt as well as providing proof she was still a student. Miss I's account was updated to a student account following her providing proof of her student ID in March 2021. But due to errors on Santander's part Miss I was provided with conflicting information and poor service which led to a delay in submitting the budget planner and setting up an arrangement. An arrangement to pay back her overdraft was agreed in July 2021 and Miss I settled the debt in May 2022.

Santander agreed Miss I hadn't received the service she should've due to mistakes on its part and compensated Miss I £500 in total for the distress and inconvenience caused. But it refused to update Miss I's credit file regarding missed or late payments from February 2021 as it said the information reported was factual information.

Miss I was dis-satisfied with this and brought her complaint to this service. One of our adjudicators looked into Miss I's complaint and thought that it was due to the confusion surrounding the submission and implementation of the budget planner that the arrangement wasn't set up until July 2021. And as they were satisfied during this period Miss I had been trying to pay back the overdraft debt they recommended that Santander should amend her credit file from showing missed payments to show she was in an arrangement.

Santander agreed to amend the credit file as recommended and reported Miss I as being in an arrangement from February through to July 2021.

Miss I says her credit file is still showing incorrect information and has asked for an ombudsman's 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.

My role is to look at problems that a consumer has experienced and see if the bank has done anything wrong. If it has, we seek to put the consumer back in the position they would've been in if the mistakes hadn't happened. And we may award modest compensation that we think is fair and reasonable.

Santander's mistakes contributed to a delay in Miss I submitting a budget planner - the knock on effect of which was a delay in agreeing an arrangement for Miss I to repay her overdraft debt. To put things right Santander has agreed to amend Miss I's credit report from showing missed or late periods for the period from February 2021 to July (when the arrangement was agreed) to instead reflect she was in an arrangement – the place she would've likely been if its mistakes hadn't happened.

Miss I says what is shown on her credit report is incorrect. I've seen a copy of Miss I's credit report dated 10 January 2023. The part which relates to Miss I's account with Santander records that Miss I's report was last updated on 22 December 2022 and that Miss I was in an arrangement to pay from January 2021 until April 2022.

So from what I've seen Miss I's credit record has been amended in-line with what was recommended. Furthermore, Santander has a duty to make sure the information it reports on its customers affairs to the credit reference agencies it subscribes to is factually accurate. And from January 2021 until Miss I settled her debt in May 2022 I can see the report shows Miss I as being in an arrangement to pay which is a true reflection of how Miss I's overdraft debt was being managed. So I can't say that Santander has made a mistake or done anything wrong here.

So overall and having considered everything I think that Santander has amended Miss I's credit file in-line with our recommendations and I'm not going to ask it to do anything more.

My final decision

For the reasons I've explained I've decided Santander UK Plc has already put things right for Miss I in the way agreed and I'm not going to ask it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 16 March 2023.

Caroline Davies
Ombudsman