

## **The complaint**

Mr M complains that NewDay Ltd trading as Marbles has reported incorrect information about his credit card account with the credit references agencies (CRA).

## **What happened**

Mr M holds a credit card account with NewDay. He says NewDay contacted him to offer a covid payment deferral (payment holiday) in August 2020. And that he accepted the offer on the basis he was told that it wouldn't impact his credit file.

But Mr M later found out that NewDay had recorded adverse data on his credit file – three months missed payment. And he says this impacted a mortgage application. So, he complained to NewDay about this and, subsequently, he added his dissatisfaction that NewDay was unable to provide a recording of the telephone call he had with it in August 2020.

NewDay acknowledged that a three-month covid payment holiday was agreed in August 2020. But it didn't agree it had recorded any adverse data on Mr M's credit file because of the payment holiday.

It said when the payment holiday was agreed Mr M's account was already one month in arrears due to a missed payment in July 2020. And it was this missed payment which has been recorded on Mr M's credit file. So, it said Mr M's credit file accurately reflected what had happened on his account. But NewDay offered Mr M £25 compensation as it was unable to provide a recording of the phone conversation which took place when the payment holiday was agreed.

Unhappy with NewDay's response Mr M referred his complaint to this service. One of our investigators looked into it, but he didn't uphold it. He was satisfied that NewDay hadn't recorded adverse data on Mr M's credit file as a result of the covid payment holiday. He noted that Mr M's statements showed Mr M had missed a payment to his credit card in July 2020 - before Mr M had discussed a payment holiday with NewDay. And he was satisfied that Mr M's credit file accurately reflected that his account had been one month in arrears as a result of that missed payment.

He acknowledged NewDay had been unable to provide Mr M with recording of the call Mr M had with NewDay in August 2020, but he thought the £25 compensation payment NewDay had offered was fair. He said, irrespective of what was discussed on the phone, Mr M would have known from his account statement that he'd missed a payment in the month before the call with NewDay.

Mr M didn't agree. He said that what was discussed in the call was material to his complaint. The investigator responded to say that Mr M would have already been aware of the missed payment in July 2020 and the consequences of the missed payment from the statement that had been issued to him before the call with NewDay.

As agreement couldn't be reached, the complaint has been passed to me to decide.

## 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.

I'm aware that I've only summarised Mr M's submissions in bringing this complaint. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Mr M is concerned that NewDay no longer has a recording of the call from August 2020. NewDay has explained that it doesn't retain call recordings for more than 12 months. As the event Mr M complains about happened 18 months before he raised his complaint with NewDay, I don't find it unusual that NewDay no longer has a recording of the call. So, I don't agree with Mr M that NewDay has *'breached a duty'* by not being able to provide the call recording.

In any event, NewDay hasn't disputed that a call took place and I accept that too. I've seen a copy the letter NewDay sent to Mr M on 18 August 2020 – the day Mr M says the call took place, and this refers to a call having taken place.

So, I've thought about what Mr M says was discussed in the call. He says he was told the covid payment holiday wouldn't impact his credit file. And I accept that this is what Mr M was told. The temporary guidance introduced by the Financial Conduct Authority (FCA) because of the pandemic said that when a lender agreed to a covid payment holiday adverse data should not be recorded on the customer's credit file.

But Mr M says NewDay recorded three months missed payments on his credit file because of the covid payment holiday. But, like the investigator, I don't agree that it did. I appreciate Mr M will be disappointed with my decision, so I'll explain why.

Mr M has provided an extract of his credit file relating to his account and this shows a 'status 1' was recorded for three months in 2020. I understand this to mean that one monthly payment was missed and was outstanding for three months. If this data had related to the three-month covid payment holiday, I would expect the credit file to show 'status 3' - three monthly missed payments. So, I'm persuaded that the 'status 1' credit record doesn't relate to the covid payment holiday.

Mr M later said that during the call with NewDay he wasn't told that the previous missed payment would impact his credit file. I've gone on to look at Mr M's credit card account statements. The statement issued on 13 August 2020 shows that Mr M hadn't made the monthly payment set out in the July 2020 statement and a default fee of £12 had been charged. The statement says: *'You have failed to make a minimum payment. Failing to make your minimum payment can mean you've broken the terms of this credit agreement...and make it more difficult for you to obtain credit in the future'*.

So, I'm satisfied that before the call with NewDay, Mr M had already missed his previous monthly payment. And I'm persuaded that Mr M should have reasonably been aware – from his statement, that he had missed a payment and his ability to obtain credit in the future could be impacted as a result.

As the subsequent call in August 2020 related to a covid payment holiday, not the previous missed payment, I'm not persuaded NewDay was required to tell Mr M the impact that previous missed payments would have on his credit file. In any event, even if NewDay had

discussed the previous missed payment with Mr M during the call, it remains that the payment had already been missed and this would have always been recorded on his credit file.

I've seen that Mr M bought his account up to date in November 2020. But by this time Mr M's July missed payment had been outstanding for three months, hence the 'status 1' on his credit file – one payment outstanding for three months. So, I'm satisfied that Mr M's credit file accurately reflects the status of his account. So, I'm not going to tell NewDay to remove details of the missed payment from Mr M's credit file.

I note that NewDay has offered Mr M £25 compensation as it was unable to provide a recording of the call. As mentioned above, I don't think NewDay has done anything wrong in this respect, so I find this offer to be fair. So, I won't be telling NewDay to pay Mr M further compensation

### **My final decision**

For the reasons give above, I don't uphold this complaint.

NewDay Ltd trading as Marbles should contact Mr M and make arrangements to pay him £25 compensation if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 May 2023.

Sandra Greene  
**Ombudsman**