

## **The complaint**

Mr D complains about the reports Fly Now Pay Later Limited, trading as Fly Now Pay Later, who I'll call "FNPL", have made to his credit file.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I know it will disappoint FNPL, but I think they need to put things right for Mr D. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr D's agreement was due to be paid by a deposit of £147.08, followed by six monthly instalments of £247.85 beginning in August 2019. Mr D didn't make all of the payments on time as he missed the payments due in November and December 2019. He then paid £100 per month from January to May 2020, and in June 2020, he made the final payment and settled the agreement.

The credit file that's been provided shows that FNPL reported the agreement to have been four months in arrears before the default was applied, but the payment history suggests the arrears never exceeded three months. The Information Commissioner's Office (ICO) says when a consumer is at least three months behind with their payments then a default may be registered. As the information suggests Mr D was never three months behind in his payments, I don't think it was fair of FNPL to register a default, and they should remove it.

Mr D has shown us a copy of his credit report which shows amounts due after the settlement date in June 2020 and that's clearly wrong. FNPL should amend his credit file to show there is nothing further due after June 2020.

FNPL paid Mr D £50, and in an email in October 2022 they explained that was in relation to an overpayment. I've not seen evidence that an overpayment was made but I do think it would be fair for FNPL to compensate Mr D for the distress and inconvenience caused. I've not seen evidence of any loss Mr D incurred as a result of the inaccurate credit reporting, but I can imagine it's caused him some distress and inconvenience. In the circumstances, I think

£50 is sufficient compensation for that distress and inconvenience, but I'm not asking FNPL to make another £50 payment as I think Mr D has already received that amount.

### **Putting things right**

FNPL should put things right in the way I've set out above and detailed below.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell Fly Now Pay Later Limited to:

- Remove the default from Mr D's credit files.
- Amend how Mr D's agreement is being reported to the credit reference agencies, to accurately show the amount in arrears for each month he was in arrears.
- Ensure that nothing further is being reported as being due after the agreement was settled in June 2020.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 June 2023.

Phillip McMahon  
**Ombudsman**