

The complaint

Mr P complains about a payment into his account with NewDay Ltd trading as Marbles ('Marbles').

What happened

Mr P had a Marbles card. On 15 August 2022, he arranged to pay £31 into the account from a business account. Marbles didn't count this as a payment and considered the account to be in arrears after that. Arrears were reported as £30.09 (21 August 2022 statement); £29.45 (21 September 2022 statement); £5.45 (23 October statement); £47.12 (21 November 2022 statement).

Mr P paid in £44 on 13 September 2022; £43.10 on 17 October 2022; but no payments were made from November 2022 onwards. On 22 January 2023 Marbles sent a Notice of Sums in Arrears with the balance at £833.77 and arrears £128.73.

Mr P complained. He said he had paid in £31 in August 2022 and Marbles should've accepted that as the contractual payment to the card. Marbles had reported the arrears to the credit reference agencies (CRAs) as a result, and that wasn't fair. Because he considered the payment of £31 to be a valid one, he then paid the minimum amount each month after deducting the £31.

Marbles said the credit of £31 wasn't accepted as a payment to the card as it was from a business account. Therefore, the charges and interest applied were correct, as was the reporting to the CRAs. As a gesture of goodwill, they refunded two late payment fees of £12 and two months' interest of £45.41.

Mr P brought his complaint to us. Our investigator said it wasn't clear from Marbles' terms and conditions that a payment from a business account wasn't allowed as a valid payment method. So she could understand why Mr P was confused. Mr P had then paid £44 in September 2022 and £43.10 in October 2022 – and didn't think he was in arrears. Marbles had sent their final response on 7 October 2022 to explain their position.

Because Mr P didn't make any payments at all from November 2022, she said the reporting to the CRAs was valid from that time. But up to the point that Marbles advised him of the position – in October 2022, then the adverse information reported to CRAs should be removed.

Marbles didn't agree. They said the terms and conditions do not list all the methods of payments they don't accept. And they do not say they accept payments from business accounts. They asked that an ombudsman look at the complaint. And so – it has come to me to make 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.

Mr P paid in £31 to the account in August 2022. I can see that from the statement.

In reviewing this complaint, I think Marbles could've better explained in their final response as to why they didn't view the payment of £31 as a valid payment. That's because - in their terms and conditions and on customer statements, they list the acceptable methods of payment – e.g. direct debit, mobile app, online banking, bank transfer or debit card. This is broadly how most credit card providers operate. Payments into accounts using these methods are then recognised as 'payments' to the account and are considered as part (or all) of the monthly contractual instalment.

That said, I looked at Marbles' terms and conditions – and they do not say that any other payment methods (other than those stated) are *not* allowed as contractual payments. So – that's not clear.

Marbles explained to us that any other payment is only considered in the same way as a retailer refund – for returned goods, for example – and that wouldn't count as a 'payment'.

I considered this but then noted that the terms and conditions say "...*We may treat this (retailer) refund as a payment to your account*". So – I'm a little confused as to what the true position is here.

And so – I think it's reasonable to say that it wasn't clear to Mr P why the payment was not treated as a payment to the account. And therefore - I agree that the adverse reporting to the CRAs should be deleted up to October 2022. I say that because that's the date when Marbles stated their position.

That said, I can see that from the November 2022 statement and thereafter, Mr P made no payments at all. Marbles have an obligation to report accurate information to CRAs – and so I agree that the reporting of the status of Mr P's account from November 2022 should remain in place. **(continued)**

My final decision

I uphold this complaint. NewDay Ltd trading as Marbles must:

- Remove adverse information reported to Mr P's credit file up to and including October 2022.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 July 2023.

Martin Lord
Ombudsman