

The complaint

Mr A complains that Admiral Financial Services Limited (“Admiral Money”) failed to remove a default marker from his credit file despite telling him it would.

What happened

Mr A took a loan with Admiral Money in October 2021. Some months later Mr A found himself in arrears but was told by Admiral Money that it wouldn't record a default on his credit file. He later discovered that a default had been recorded and brought a complaint to the business. Admiral Money apologised that it hadn't kept its promise not to put a default marker on the credit report and paid Mr A £40 in compensation for the distress and inconvenience this caused.

Mr A's account continued to be in arrears and Admiral Money reapplied the default marker. In December 2022 Mr A complained again. He said despite telling him it would not default the account, and then saying it would remove the default, Admiral Money continued reporting the default to credit reference agencies.

In its final response Admiral Money said Mr A failed to maintain three separate payment arrangements so it wouldn't be willing to remove the default again. It accepted that Mr A had been given incorrect information about the default by various agents over the previous eight months, so it paid him £50 to apologise for the distress and inconvenience caused.

Mr A didn't agree and brought his complaint to this service. He said payment plans were set up with the promise that a default would not be issued but before these payments were due the default would reappear on his credit file. He said Admiral Money hadn't kept its word.

Our investigator concluded that the default had been registered correctly. He said a lender is entitled to register a default after an account has been in arrears for more than three months, and if the terms of payment arrangements have been broken. Mr A wasn't satisfied and asked for a decision from an ombudsman.

Mr A has said he would have kept his word and kept to the payment arrangements if Admiral Money had kept theirs. He said the agreement was that he would make a payment and Admiral Money would remove the default and that it wasn't “*I make a payment and they investigate it*”. He said Admiral Money didn't remove the default, so he didn't make a payment.

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 realise this will come as a disappointment to Mr A but having done so I won't be asking Admiral Money to do anything further, for the reasons I've outlined below:

- Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it to reach the right outcome.
- I've read all the letters, emails, and texts that have been sent to Mr A, and I've listened to various phone calls. It's clear from the phone call on 3 October that an Admiral Money agent committed to getting the default removed from his credit file despite Mr A being in arrears. He said:
 - *"Leave it with us we're going to get it rectified for you. I can't physically put a timescale on it, I'd love to be able to."*
- During this phone call the agent also set up a new payment arrangement with a payment to be made by direct debit on 21 October for £1,330.90. He said an account review would take place on 4 November to see what position Mr A would be in. After setting up the arrangement the agent added:
 - *"With regards to peace of mind re. default wise for us we've got our own processes so if we were going to issue a default against you we would always notify you prior to that...a letter. We've not defaulted you I can promise you that. For some reason, I don't know why, but it's showing as that on your account...leave it with us.... I'll pass it to our quality team to look into it for you, okay, as it is linked to your previous dispute any way and we'll get that rectified as soon as possible."*
- While I can see the agent was apologetic and committed to getting the default removed I'm not persuaded there was any reciprocal agreement. By that I mean nowhere on the call does the agent agree or indicate that Mr A's payment is conditional on the removal of the default.
- On 25 October Admiral Money phoned Mr A again because it hadn't received the payment on 21 October. It said the direct debit had been reversed. On the phone call Mr A said he'd agreed a new payment arrangement but a week before the payment was due the default reappeared on his credit file. He said if there is just going to be a default against him he would rather go bankrupt.
- At the end of this call Admiral Money agreed to make enquiries about the default but the agent said at the very least it was going to need a payment in on Friday (28 October). Mr A committed to making a manual payment. He said:
 - *"I can 100% guarantee I can make the £665 payment this Friday."*
- Again I'm not persuaded there was any reciprocal agreement during this phone call. The agent's response to Mr A's statement that he didn't make the payment because the default reappeared was questioning and it seems to me the agent was surprised this would be the reason.
- On 4 November Admiral Money called Mr A again. It said only half of the payment had been made on 28 October despite Mr A committing to make the full payment. So the payment arrangement had broken again.
- Mr A said he had just made the second half of the payment despite it not showing on the system. And I can see from the payment ledger that this was the case. The agent asked Mr A why he hadn't made the full payment on 28 October. Mr A explained

about a personal emergency that required him to use the money elsewhere. The agent set up another new payment arrangement. Mr A committed to four payments of £831 over the next four months. He said the first payment would be on 9 December.

- I note the following observations from this call:
 - The agent tried to counsel Mr A in committing to only make two payments of £831. She said:
 - *“we tend to err on the side of caution and sort of under sell and over deliver”*
 - The agent goes on to explain that she was asking Mr A questions to test whether the arrangement would work. She said she didn’t want a broken arrangement because then missed payments would be recorded. And it would be better to have an arrangement recorded on the credit file. She said:
 - *“Would you like to put it in place for 2 months to see how you go...?”*
 - Mr A said he definitely wanted to go for the 4 months. He said:
 - *“I know for a fact I can make a payment on 9 December. I know that. I can pay then.”*
 - There was no mention of any default on Mr A's credit file. And he does not use this as a reason why the previous payment arrangement failed. Nor was there discussion of a reciprocal agreement regarding the default.
 - The agent asks Mr A if he has any other questions at the end which would’ve been an opportunity for Mr A to raise the default, but he said no.
- Mr A is adamant there was an agreement that he made a payment/arrangement and Admiral Money removes the default. While I can see that at some point the business agreed to remove the default I don’t agree that there was a reciprocal agreement such that Mr A’s payment was dependent on the default removal. And if anything I would expect the reverse, because making those payments per the arrangement towards the loan would in themselves support the argument to remove the default.
- I’ve seen the payment ledger from Admiral Money and can see that Mr A failed to make the December payment he committed to as well as subsequent payments. Admiral Money is required to report accurately to credit reference agencies and in this instance it was reasonable for Admiral Money to reapply the default marker.
- I’m very sorry to hear about the difficulties Mr A has experienced and listening to the calls it’s obvious he wanted to make the repayments. But I don’t believe Admiral Money has done anything wrong by applying the default marker after the payment arrangements continued to fail so I won’t be asking it to do anything further.

My final decision

My final decision is I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 March 2024.

Maxine Sutton
Ombudsman