

## **The complaint**

Miss S complains that Barclays Bank UK PLC, trading as Barclaycard, has recorded late payments on her credit file despite her keeping to a Debt Arrangement Scheme.

## **What happened**

In 2018 Miss S entered a Debt Payment Programme (DPP) under the Debt Arrangement Scheme (DAS) for her to pay back several debts. One of the debts included in the scheme is with Barclaycard. Miss S first raised a complaint because, despite keeping to the scheme, Barclaycard had recorded late payment markers with credit reference agencies. Barclaycard removed the markers and paid compensation. But further late payment markers were added to her credit file, so Miss S brought a new complaint to Barclaycard. She wanted these new ones removed. Miss S didn't receive a response, so she then brought her complaint to this service.

After establishing that these new late payment markers were different to those that formed the previous complaint Barclaycard said that it was recording correctly to the credit reference agencies.

Our investigator concluded that he was satisfied Barclaycard hadn't acted unfairly in applying markers to Miss S's credit file. But he said it could have been clearer in explaining its obligations under a DAS. So he recommended Barclaycard pay Miss S £100 in compensation.

Miss S didn't agree and asked for a decision from an ombudsman. She said while the DAS may not prohibit parties from putting missed payments on a credit file she believed general industry practice should be considered in deciding if what they did was fair. She said in this instance none of her other creditors recorded missed payment markers to the credit reference agencies, so she didn't believe that Barclaycard was acting in line with the industry and as such wasn't treating her fairly.

## **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 Miss S but having done so I agree with the conclusions reached by the investigator for the reasons I've outlined below:

- Miss S has said that while in a DAS she's allowed to miss two payments a year for crisis reasons. She said this was approved by the DAS administrator so these missed payments should not show up on her credit file.
- I've read the rules relating to Debt Payment Programmes (DPP) under the Debt Arrangement Scheme (DAS) in Scotland as well as Debt Management Plans (DMP) which are available across the UK. I've looked at various debt advice sites also in

relation to the UK and Scotland separately. I haven't seen anything which prevents Barclaycard from adding markers to Miss S's credit file or, as the investigator has said, which says that Barclaycard isn't entitled to record accurate information about Miss S's payment history.

- Information I have seen does indicate that while on a DPP or DMP missing payments, reduced payments and defaults are recorded on the credit file and would stay there for six years.
- Miss S has also said she doesn't understand Barclaycard's position. She said she has eight creditors, most of which are big high street lenders, yet Barclaycard is the only one recording missed payments. She said she has a Barclays loan which isn't recording missed payments. She said from an industry practice standpoint Barclaycard are not acting in the same way as the rest of the industry. Miss S went on to say that she believes, in the absence of clear rules, financial institutions should follow industry practice and Barclaycard isn't doing this. She said if all other creditors are not reporting missed payments then Barclaycard is out of step with this.
- In deciding what I believe to be fair and reasonable in all the circumstances, I'm required to consider relevant law, rules, guidance, codes of practice as well as what I consider to have been good industry practice at the time. I do understand what Miss S is saying when she compares how Barclaycard is operating compared with other financial institutions. And I can see how this would be frustrating for her. My role is to decide based on the individual circumstances of this complaint without regard for how other companies operate. The law requires that the information on Miss S's credit file is an accurate reflection of Miss S's credit history. So it wouldn't be appropriate for me to say that it would be good industry practice for Barclaycard to stop reporting late payments. I've not seen any information which suggests an exception can be made in terms of reporting for, for example, agreed 'crisis' missed payments.
- If Miss S remains unhappy with the accurate reporting of information she can record a Notice of Correction with each of the credit reference agencies. This is a short statement which would explain the circumstances behind why information has been recorded and would be available for the attention of anyone who performs a credit search against Miss S.

### **Putting things right**

I do agree with the investigator that Barclaycard could have been clearer in its explanation to Miss S regarding the recording of late payments. So I think a payment of £100 in compensation for this inconvenience is fair and reasonable.

### **My final decision**

My final decision is that I partially uphold this complaint and Barclaycard should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 17 April 2024.

Maxine Sutton  
**Ombudsman**