

The complaint

Mr F complains that Santander UK Plc has unfairly recorded late loan payments on his credit file.

What happened

Mr F has a loan with Santander that he took out in March 2020 and paid via direct debit. Mr F has explained that due to an error, his direct debit instruction was cancelled so his payment wasn't collected at the start of July 2023. Mr F made a payment on 28 July 2023 to bring the account up to date. But the next payment was due at the beginning of August 2023 and wasn't made. Mr F made the payment up on 15 August 2023 and his 29 August 2023 payment was made on time.

Santander went on to record two missed payments on Mr F's credit file for July and August 2023.

Mr F complained and Santander issued a final response on 3 November 2023. Santander said that no error had been made and that the loan payments were late on two occasions which was reported to the credit reference agencies. Santander didn't agree to amend Mr F's credit file.

An investigator at this service looked at Mr F's complaint. They advised that the first payment recorded as missed was due at the start of July 2023 but not made until 28 July 2023. The investigator said the second payment was due at the beginning of August 2023 but not received until 15 August 2023. The investigator wasn't persuaded Santander had made a mistake or treated Mr F unfairly by recording the missed payments on his credit file.

Mr F asked to appeal, so his complaint has been passed to me to make a 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can see the direct debit instruction was set up to leave Mr F's current account at the start of each month. For example, direct debit payments were taken on 1 February 2023, 1 March 2023, 3 April 2023, 2 May 2023 and 1 June 2023. But the payment was due on 1 July 2023 wasn't made. I note Mr F made a payment on 28 July 2023 to cover the one that had been missed, but another was due by 1 August 2023 and wasn't made until 15 August 2023. So,

as a starting point, I'm satisfied that the payments weren't made in line with the normal payment date.

Mr F's told us that both payments were made up within 30 days of the due dates so feels Santander's decision to record them as missed was unfair. I've looked at the loan's key facts document that was given to Mr F when the application was approved. The key facts document says that if a customer misses a loan payment Santander will record the details with a credit reference agency. And Santander's terms and conditions say that if a payment isn't made within 14 days of its due date it will send a notice the account is in arrears. I've checked all the relevant paperwork but I haven't seen anything in the information Santander provides that says it will only record a missed payment if it hasn't been made up within 30 days of the due date. Of course, I'd expect any business to treat someone who's made a genuine mistake with some forbearance. But I'm satisfied there was a sufficient time between the payments being due then made up for Santander to fairly record that on Mr F's credit file.

In response to the investigator, Mr F said that he'd discussed amending the due date to the 28th of the month and had set up a standing order to do that, after speaking with Santander. But Santander's contact notes only show a discussion about amending the due date on 15 August 2023, the date Mr F made up the August 2023 payment. There's no record of earlier conversations or Mr F being advised to set up a standing order to make his loan payments.

I'm very sorry to disappoint Mr F, but I'm satisfied that Santander is accurately reporting how payments were made to his loan. Ultimately, both the July and August 2023 payments were made late and the information Santander reports reflects that. As I'm satisfied Santander is correctly reporting Mr F's loan payment history and that it dealt with his complaint fairly I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 4 June 2024.

Marco Manente
Ombudsman