

## **The complaint**

Mr D complains that Lendable Ltd is unfairly reporting missed payments to the credit reference agencies in respect of two loans he has with it.

## **What happened**

Mr D entered into two loans with Lendable. He was making contractual repayments until December 2020 when he experienced financial difficulties. Mr D entered into a debt management plan in January 2021 with the assistance of a debt management organisation and reduced monthly payments (which were lower than the contractual repayment amounts) were made on each loan account.

Mr D raised a complaint with Lendable about the way in which the loans were reflected on his credit file.

Lendable found that between January 2021 and November 2021, it had incorrectly reported that the loan accounts were in a payment arrangement with unknown arrears. From December 2022 onwards the loans had been reported as in a debt management plan with over six months of arrears. Lendable didn't uphold Mr D's complaint. It said the error in reporting between January 2021 and November 2021 would have positively impacted Mr D's credit file and it had decided not to amend the reporting. It said the accounts had been accurately reported from December 2022 to date, and that it would not be amending the reporting for this period.

Mr D remained unhappy and brought his complaint to this service. He's unhappy that Lendable reported his loans as an arrangement to pay (AP) from January 2021 to November 2021, and as a debt management plan (DMP) since. He thinks his credit file should be amended to show that he was in an AP from November 2021. Mr D said that by reporting a DMP with six missed payments from November 2021, Lendable had caused his credit score to be affected. Mr D said he had kept up with all payments since the debt management plan was in place and he didn't agree that there were missed payments. Mr D said he didn't dispute the fact that he was in a debt management plan and that this needed to be reported in some way but said that every other lender had reported him as being in an arrangement to pay. Mr D said it was agreed with Lendable in January 2021 that his payments would be made at a reduced amount and that for Lendable to report this as an arrangement to pay since January 2021 and then to change the reporting in November 2021 to show six missed payments wasn't fair, as he hadn't missed any payments at the reduced amount agreed with Lendable in January 2021.

Our investigator didn't uphold the complaint. They said that although Lendable had reported an AP incorrectly from January 2021 to November 2021, it would be detrimental to Mr D if this reporting was amended to a DMP for that period. The investigator said that Lendable had reported a DMP correctly since November 2022.

Mr D didn't agree so I've been asked to review the complaint.

## **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.

It's not disputed that Mr D hasn't been able to maintain the contractual payments on the two loans. He entered into a debt management plan in January 2021 and has maintained payments since then. The payments he makes are less than the contractual payments due on each loan, so they are reduced (or part) payments.

Lendable, as a provider of credit, is under an obligation to report accurate information to the credit reference agencies about how an account is being managed. So, in Mr D's case, Lendable is obliged to report that he is in a debt management plan and that the account is in arrears.

I understand that prior to November 2021, Lendable was incorrectly reporting that the accounts were subject to an arrangement to pay (as opposed to a debt management plan). This error meant that no missed payments were shown. This changed in November 2021 when Lendable began reporting that the accounts were subject to a debt management plan with arrears, which is what has adversely affected Mr D's credit file.

If the error in reporting between January 2021 and November 2021 had caused detriment to Mr D, I would expect it to put things right by removing any adverse information and compensating Mr D for any distress and inconvenience caused. However, based on what I've seen, the reporting of the accounts as an arrangement to pay between January 2021 and November 2021 hasn't caused detriment to Mr D, because the reporting of an arrangement to pay has significantly less impact on a customer's credit file than the reporting of a debt management plan.

Mr D has told this service that he wants his debt management plan to be reported as an arrangement to pay. He's said that he believes that a debt management plan is an arrangement to pay and that other lenders report it as such. I'm only able to look into the circumstances of this complaint so I can't comment on what other lenders are reporting. In any event, I don't agree with Mr D that a debt management plan is the same thing as an arrangement to pay.

Based on what I've seen, I'm satisfied that Lendable is correctly reporting that Mr D is in a debt management plan.

I appreciate that Mr D believes the reporting of missed payments to be unfair. He says he hasn't missed any payments under the debt management plan. This isn't disputed. However, the payments being made by Mr D under the debt management plan are less than the contractual payment. So – as I've explained above – they are reduced payments. This means that for each month that a reduced (or part) payment is made, arrears accrue on the loan accounts.

Lendable has told this service that it reports both accounts as being in a debt management plan. At the time when Lendable provided the information to this service, the first loan had arrears of £4,788.64 and the second loan had arrears of £4,567.86. In the case of each loan, the arrears amounted to more than six months. I can see that (at that time) Lendable was reporting the loans as a debt management plan (DMP) and a "6", which marks the number of months of arrears. The marking of the arrears reflects the fact that reduced repayments are being made on both loan accounts.

I appreciate that Mr D feels strongly about this. However, based on what I've seen, I'm not

persuaded that Lendable has made an error in the way it is reporting the debt management plan since November 2021. Lendable did report incorrectly prior to November 2021; however, as I've explained above, to amend the reporting between January 2021 and November 2021 is likely to cause detriment to Mr D in terms of the impact on his credit file so I won't be asking Lendable make any amendments to its reporting during this period.

### **My final decision**

My final decision is that I don't uphold the complaint.

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

Emma Davy  
**Ombudsman**