

## **The complaint**

Mr A complains Zopa Bank Limited is reporting incorrect information to credit reference agencies.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

Having considered everything, I've reached the same conclusions as our Investigator, for these reasons:

- Under Mr A's loan agreement, he was expected to make his monthly repayments on the 6<sup>th</sup> of each month, but he was unable to do this in May 2023. In mid-May 2023, he spoke with Zopa and asked for his repayments to be taken on 30<sup>th</sup> of each month instead. Zopa's advisor explained the payment date couldn't be changed if a payment was pending or missed, but if he made a manual payment by the end of the month a late payment marker wouldn't be recorded on Mr A's credit file. Based on this advice, Mr A made a manual payment before the end of May, but despite this, a late payment marker was reported.
- After Mr A complained about the late payment marker reported in May 2023, Zopa realised it had incorrectly applied the manual payment for June 2023. Because of this, they corrected the information being reported to credit reference agencies for May 2023. But Mr A has complained that Zopa continued to report late payment markers despite making payments each month. He also had a payment returned to him, and Zopa didn't explain why that happened. Having reviewed the information from both parties, I can understand why Mr A found the situation confusing and frustrating.
- The evidence I've received suggests a late payment marker was reported in June 2023 because Mr A used an incorrect reference when making a manual payment. This caused the payment to be returned to Mr A, and despite him contacting Zopa about this, I can't see that they properly replied to his queries – so this was disappointing to see.
- Despite Mr A asking for his payment date to be 30<sup>th</sup> of each month, from July onwards, the evidence suggests all his payments were not made by this date. So, as the payments weren't made on time – I can't agree that Zopa are treating him unfairly by reporting the same to credit reference agencies. Ultimately, businesses like Zopa, are expected to report accurate information about the way a customer's account is being managed.

- There is no doubt that Mr A wanted to make repayments towards his loan, and he has provided us with evidence that demonstrates his efforts to do so. However, this evidence has also persuaded me that something appears to be going wrong with his direct debits that are scheduled for the 30<sup>th</sup> of each month. And this appears to be contributing to him having to make manual payments after the direct debit fails. So, Mr A may want to speak with his bank to find out why that might be happening.
- Zopa acknowledged their mistake with Mr A's May 2023 payment and corrected the information they were reporting for that month. I think that was the right thing to do. However, given the timing of his payments from July 2023 onwards, I can't fairly ask Zopa to change what they're reporting for those months.
- As mentioned above, Zopa made a mistake with the May 2023 payment, and this caused Mr A avoidable inconvenience to get corrected. I also think there were times when Zopa could and should have provided Mr A with clearer information when responding to his queries – particularly about the returned payment in June 2023. So, while Zopa had already offered to pay Mr A £50 for their mistake, I agree with our Investigator that it doesn't go far enough.
- Like our Investigator, I consider an award of £150 is fair to acknowledge the time and effort Mr A spent trying to understand what had happened – particularly given he had been proactive in trying to change his payment date so that he could meet his obligations under the agreement. I don't consider a higher award is warranted, because I've not seen sufficient evidence to persuade me that the problems with Mr A's later payments were caused by Zopa's actions.
- Mr A has asked for his loan to be "cancelled" due to the issues he's experienced. If Mr A wants to end his relationship with Zopa, he would need to settle the loan in line with the terms and conditions of his agreement. This would require him repaying what is owed. I consider that is reasonable given Mr A has had use of capital and entered the agreement in the knowledge he was contractually obligated to repay what he borrowed.

For the reasons above, I'm upholding Mr A's complaint – albeit not as he hoped.

### **My final decision**

My final decision is that I'm upholding Mr A's complaint about Zopa Bank Limited.

To put things right, Zopa Bank Limited should pay Mr A £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 April 2024.

Sarrah Turay  
**Ombudsman**