

The complaint

Mr M complains that Nationwide Building Society (“Nationwide”) reported his account incorrectly to the credit reference agencies.

What happened

Mr M held a loan account with Nationwide which was repayable by monthly instalments. He is unhappy that his credit file shows missed payments for July and August 2020. These relate to the payments for June and July that year, which Nationwide says were missed. But Mr M says that’s not correct. He complained to Nationwide and asked it to remove the adverse entries.

Nationwide didn’t think it had done anything wrong. But Mr M didn’t agree and referred the complaint to this service. He said he was in a payment plan and had been told he could make the payments later in the month without his credit file being affected. He said he spoke to Nationwide in April or May 2020 and was told it wouldn’t report a missed payment but would record that he was in a plan.

Mr M also said the loan was unaffordable. This concern didn’t form part of the complaint he had raised with Nationwide before referral to this service. So, Nationwide hasn’t had the opportunity to respond to that. Our Investigator confirmed that Mr M will need to raise this issue with Nationwide directly first if he wishes to pursue it further.

As to the missed payments, our Investigator confirmed that the issue of the June 2020 payment (reported in July 2020) had already been addressed by this service as part of a previous complaint by Mr M. So we can’t look at that again.

But the July 2020 payment (reported in August 2020) hadn’t been considered previously, so our Investigator looked into that. She didn’t think Nationwide had done anything wrong. But Mr M didn’t agree and asked for the complaint to be reviewed by an Ombudsman.

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.

Mr M’s loan was repayable by monthly instalments. The loan agreement says he must make payments on the same date each month. Not paying on time is a breach of the agreement. Mr M’s July payment in 2020 wasn’t made on time. He made the payment in August. This was after the contractual payment date, so the July payment date was missed.

The loan agreement says that Nationwide may report this to the credit reference agencies. It’s important that credit files record a person’s financial position accurately because other lenders may rely on that information to make decisions about whether to lend to that person. I’d expect Nationwide to report accurate information about the account and I’m satisfied it did so here. The July payment was late and that is what has been reported to the credit reference agencies.

But Mr M says that Nationwide told him it wouldn't report a missed payment. He says he was told in April or May that it would record that he was in a plan and that payment was made later to bring the account up to date. Nationwide has provided call recordings from the relevant period and I've listened to them. There was no discussion in these calls of the loan payments or reporting of the account. So, from the evidence available to me, I can't conclude that Mr M was told Nationwide wouldn't report missed payments.

I haven't seen anything to suggest that Nationwide shouldn't treat the July 2020 payment in the usual way, in line with the terms and conditions of Mr M's account. The payment was late and that is what Nationwide has reported. So, I don't think Nationwide has made a mistake or acted unreasonably here. I'm sorry to disappoint Mr M, but I'm not going to ask Nationwide to do anything.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 July 2024.

Katy Kidd
Ombudsman