

The complaint

Mr B complains that Barclays Bank UK PLC reported a missed payment on his credit file.

What happened

Mr B held an account with Barclays. He went into unauthorised overdraft in February 2024. Mr B says this was reported as arrears on his credit file.

Mr B contacted Barclays on 9 March 2024 and agreed a Promise to Pay (PTP) to repay the overdrawn balance by 2 April 2024.

On 29 March 2024 Mr B made as payment to clear the overdrawn balance.

Mr B later discovered that Barclays were reporting a missed payment on his credit file. Unhappy that he hadn't missed a payment, Mr B complained to Barclays and asked them to remove the missed payment marker from his credit file.

Barclays didn't uphold the complaint. In its final response dated 16 May 2024 it said the account was in unarranged overdraft up to the point when Mr B cleared the overdrawn balance. Barclays said it would report this as missed/late payments to the credit reference agencies as this was a factual information regarding the running of the account. Barclays said it would report the arrears as satisfied but that this could take up to 8 weeks.

Mr B remained unhappy and brought his complaint to this service. He said he understood the arrears showing on his credit file (and confirmed that these were no longer showing) but he is unhappy about the missed payment marker being recorded a month after he cleared the overdraft. Mr B says no payment was missed because he repaid his overdraft by the agreed date.

Our investigator didn't uphold the complaint. She said that because the account was in an unauthorised overdraft, she would expect Barclays to report this overdrawn balance to the credit reference agencies. The investigator said that Barclays reporting showed that they were recording arrears of £1,730 for March 2024, and recording the arrears as settled for April 2024, which is what she would expect to see, so she wasn't persuaded that Barclays were reporting anything incorrectly. The investigator said that she could see that Mr B had provided one screenshot which demonstrated that the bank was reporting "missed" payments for March 2024 and another screenshot which demonstrated that the bank were reporting the status of the account as being in arrears for March 2024, but said that missed payments and arrears were the same thing in the circumstances of this complaint and were both correct.

Mr B didn't agree. He said Barclays had put arrears on his credit file and later added missed payment. He said they had since removed the arrears marker but left the missed payment, which is what he was disputing, because he didn't miss any payments.

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.

There's no dispute that Mr B went into unauthorised overdraft on his account from around 29 February 2024 until 29 March 2024.

There's also no dispute that Mr B cleared the overdrawn balance on 29 March 2024, which was within the timeframe agreed with Barclays under the PTP.

The nub of Mr B's complaint is about how his account is reporting at the credit reference agencies. He's said that initially the account was reporting as being in arrears, and that after he made a payment to clear the overdraft, a missed payment marker was reported for April 2024, which was later changed to March 2024.

Having reviewed everything I'm satisfied that the way in which Barclays are reporting the account is correct. I'll explain why.

The account was in unarranged overdraft between 29 February 2024 and 29 March 2024. The way in which Barclays report an unauthorised overdraft is as missed/late payments. The unauthorised overdraft may also be reported as arrears but once the overdraft has been cleared there will be a change in the way this is reported as the arrears will be marked as satisfied. The missed/late payment reporting however won't change because this accurately reflects the state of the account at that time. All lenders are obliged to report accurate information to the credit reference agencies.

I appreciate that Mr B has said that he hasn't missed a payment. And I agree with him that he made a payment to clear the overdraft within the time limit agreed under the PTP. However, it isn't this payment that the reporting refers to. The reporting of the missed payment is to reflect the fact that the account was in unarranged overdraft up to the point when the payment was made to clear it.

Based on what I've seen, I'm not persuaded that Barclays has made an error in reporting a missed payment. I'm satisfied that Barclays are correctly reporting a missed/late payment for that period of time when the account was overdrawn.

I understand that Mr B feels that there has been an error because the missed payment marker started reporting on his credit file a month after he cleared the overdraft. This reflects the way in which banks report to the credit reference agencies, which is generally in the month following the event. So I'd expect the missed payment marker to be amended to show as March 2024 in ongoing reporting by the credit reference agencies, as this is the period when the account was in unauthorised overdraft. Mr B has made reference in his correspondence to this service to the missed payment being changed from April to March, which I'm satisfied is (as I've explained above) correct.

For the reasons I've explained, I'm unable to uphold the complaint. I won't be asking Barclays to remove the missed payment marker.

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 B to accept or reject my decision before 29 October 2024.

Emma Davy
Ombudsman