

The complaint

Miss K says Bank of Scotland plc, trading as Halifax, treated her unfairly in relation to her credit card account.

What happened

Briefly, Miss K's account was in arrears. She made payments to the account in July and August 2023. Despite this, two of the three credit reference agencies (CRAs) continued to show the account as being in arrears. The third CRA showed the account as being up to date in August and September 2023.

Miss K complained that Halifax had failed to report to the two CRAs about the payments she'd made, resulting in the account still showing as being in arrears on her credit file. She said the third CRA should have shown the account as being up to date in July and August 2023. She said this all caused her distress and inconvenience and affected her '*credit eligibility*'.

Most recently, one of our investigators looked into the complaint and recommended that it be upheld. They said Miss K had made payments to the account in time for it to show on her credit file as being up to date in July 2023. The investigator noted Halifax was satisfied the account was also up to date for September 2023. So, they recommended that the reporting be changed to reflect that the account was up to date in July and August 2023 and was otherwise accurate regarding all three CRAs.

The investigator recognised Miss K had experienced significant personal and financial difficulties and felt Halifax's actions had caused her a degree of distress and inconvenience. As compensation for that, they asked Halifax to pay Miss K £100.

Neither Halifax nor Miss K agreed with the investigator's findings. Miss K said the impact of what Halifax did on her ability to obtain credit was real, meaning she was entitled to considerably more in compensation than £100. Halifax said it had correctly reported Miss K's account as being up to date in August as opposed to July 2023. It accepted one of the CRAs showed the account as being up to date in September 2023, rather than there being an arrangement in place. But Halifax said it wouldn't seek to remove the up to date status for that month. So, overall, it felt no compensation was due.

As the investigator was unable to resolve the complaint informally, it was passed to me to review afresh.

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 note that Miss K's raised other complaints with this service about her dealings with Halifax. I emphasise that, in this decision, I've focussed on the actions of Halifax in relation to her credit file as opposed to the other matters Miss K's unhappy about.

Having done so, I uphold this complaint in part. I'll explain why.

It's not in dispute that Miss K's account fell into arrears. Or that she made payments in order to bring the account up to date. What the parties continue to disagree over, however, is how this ought to be reported to the CRAs and, in turn, reflected on Miss K's credit file.

From carefully reviewing Halifax's account statements, I see that the statement dated 18 July 2023 showed a balance of £3,114.44. It said a minimum payment of £1,167.90 was due by 14 August 2023. With that in mind, Miss K made three payments – totalling just over the minimum payment – on 26 and 31 July and 1 August 2023. So, before the cut off date given.

Bearing in mind the contents of the account statement and the timings of the payments Miss K made, I'm satisfied she settled the minimum payment for July 2023 by the due date shown on that month's statement. That being the case, it follows that I'm satisfied her credit file should reflect that the account was up to date in July 2023.

Halifax doesn't agree with that and instead considers that the timings of the statement and payments indicate the payment should count towards August rather than July 2023. But I don't think that would be fair given the clear wording of the statement it sent to Miss K. I'm persuaded, from what she's told us, that Miss K acted in reliance of this wording – which as I say suggested that the payments would count towards July 2023 – and may have made these payments at different times had Halifax explained things with more accuracy.

In the circumstances, I believe the account status on Miss K's credit file for July 2023 should be amended to show it as being up to date.

Halifax has already agreed to allow the account status for the following month to be reflected in Miss K's credit file as being up to date – even though it seems that wasn't the case. That's for one of the CRAs but not all three. It follows from what I've said about the status for July 2023 that August – as opposed to September – 2023 should also show as up to date in that case.

Overall, Halifax should ensure Miss K's credit file with regard to all three CRAs is accurate and fair.

The above discrepancies have caused confusion for Miss K and, more importantly, caused distress at what was already a very difficult time for her both personally and financially. I think the impact of these actions warrant a payment of compensation.

I note that the investigator asked Halifax to pay Miss K £100 but that Miss K strongly believes that amount is far too low. I fully appreciate why she feels Halifax should have to pay more. Having said that, while Miss K argues the information on her credit file affected her eligibility for credit, I haven't seen any evidence of how this, in turn, caused her actual financial loss. For example, that Halifax's errors led to her being refused credit or having to take credit out on less favourable terms than would otherwise have been the case.

In the absence of such evidence, I'm persuaded that an award solely for distress and inconvenience – and not financial loss – adequately redresses Miss K's losses. And that £100 represents a fair amount in all the circumstances.

Putting things right

As well as ensuring Miss K's credit file's accurate and correct as above, Halifax should pay her £100 as compensation for the distress and inconvenience its actions have caused her.

My final decision

For the reasons given, I uphold this complaint in part. I require Bank of Scotland plc, trading as Halifax, to put things right for Miss K as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 19 September 2024.

Nimish Patel
Ombudsman