

## **The complaint**

Miss M complains that Santander UK Plc reported missed payments to the credit reference agencies even though she made payments to her account.

## **What happened**

Miss M holds a bank account with Santander.

In March 2024 Miss M set up an arrangement to pay the overdrawn balance on the account. She made her first payment on 27 March 2024 and her second payment on 26 April 2024.

Miss M discovered that her credit report showed two missed payments for March and April. She complained to Santander and asked for her credit file to be amended.

In its final response dated 8 May 2024, Santander said it hadn't made an error. It said that Miss M's banking facilities had been removed on 24 February 2024 and that it had been in arrears since then. Santander said it had checked Miss M's credit file. It confirmed that her payment arrangement had been set up on 19 March 2024, which was after the monthly reporting cycle for March 2024, and therefore the missed payment data for March was accurate as no arrangement was in place at the time. Santander said that March 2024 would show as a missed payment on her credit file and April 2024 would show as an arrangement to pay on her credit file.

Miss M remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said she was satisfied that Santander were reporting accurately.

Miss M didn't agree. She said Santander was reporting the payment arrangement without comment which was why the payments were being reported as late even though she was making them on time. Miss M also said she'd been told that having a payment plan wouldn't negatively impact her credit file.

## **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 know it will disappoint Miss M, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Santander has provided evidence to show that several letters were sent to Miss M about funding her account in December 2023, January 2024 and February 2024. Santander removed Miss M's banking facilities on 24 February 2024. I can see that Miss M made a

payment of £2.17 to the account on 29 February 2024 but the account remained in arrears.

Miss M has said that she didn't receive any of these letters because they were sent to her old address. I've looked into this, and I can see that the letters were sent to the address that Santander held for Miss M at the time. It wasn't until Miss M contacted Santander in March 2024 that she told Santander she had moved and updated her address details.

Whilst it may be the case that Miss M didn't receive the letters, I can't fairly hold Santander responsible for this. It's not unreasonable for Santander to send letters to Miss M's registered address, and it's Miss M's obligation to keep Santander updated with any changes of address.

I can see that Miss M contacted Santander on 19 March 2024 to set up a payment arrangement. The data which Santander reports to the credit reference agencies had already been reported for that month, and because Miss M's account was in arrears, Santander reported a missed payment. I appreciate that Miss M set up the arrangement in March and made her first payment in March, however, the arrangement was set up after the date which Santander reports to the credit reference agencies. Based on what I've seen, I'm satisfied that Santander's reporting in March was correct.

Once the payment arrangement had been set up, Santander reported the arrangement to the credit reference agencies as "AR" in the next reporting cycle in early April. I can see that Santander has continued to report the payment arrangement as "AR" month on month. I haven't seen anything to suggest that this reporting is incorrect. Santander is under an obligation to report accurate information to the credit reference agencies, which includes payment arrangements.

Miss M has said that she was told that agreeing a payment arrangement wouldn't negatively impact her credit file. I've listened to the call dated 19 March 2024 in which the payment arrangement was discussed and agreed. During the call, the Santander agent advised Miss M that the arrears on the account could impact her credit file, and that the payment arrangement could impact her credit file. The agent also explained that if Miss M broke the payment arrangement and failed to repay the overdraft, the account could be defaulted, and the default would remain on her credit file for 6 years. The agent said that if the account was defaulted, the debt might be passed to a debt collection agency.

Based on what I've heard in the call, I can't agree with Miss M when she says she was told that her credit file wouldn't be negatively impacted. I'm satisfied that Santander gave Miss M a clear explanation of the possible impact of the arrears and the payment arrangement on her credit file.

Taking all the available information into account, I'm unable to say that Santander has made an error in the way that it is reporting the account. Nor have I seen anything to suggest that Santander has treated Miss M unfairly or unreasonably. In the circumstances, I'm unable to uphold the complaint.

### **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 Miss M to accept or reject my decision before 30 October 2024.

Emma Davy

**Ombudsman**