

The complaint

Mrs C complains about a late payment marker put on her credit file by Santander UK Plc (Santander).

What happened

Very sadly, Mrs C had recently lost her husband suddenly and in traumatic circumstances.

Mrs C has a credit card with Santander. The limit was £4,600. The balance on the statement dated 10 May 2024 showed a balance owing of £1,237.32. This was paid by direct debit on 4 June 2024.

Mrs C called Santander on 6 June 2024. The direct debit was cancelled on the same day.

The next statement was issued on 12 June 2024 and this showed a balance owing of £684.68, due to be paid by 8 July 2024.

The payment due by 8 July 2024 wasn't made. Santander charged late payment fee of £12 and interest of £18.96. Mrs C's credit file was marked with a late payment mark.

A new direct debit was set up on 18 July 2024 to pay the full balance on the card account each month.

Mrs C spoke to Santander again on 10 June 2024, 18 July 2024 (two calls), 19 July 2024, 22 July 2024, 25 July 2024, 23 July 2024, 5 August 2024, 6 August 2024.

Mrs C complained. She said:

- She hadn't cancelled the direct debit.
- She had been to her bank (which wasn't Santander) and they confirmed she had two direct debits in their records. So, Santander must have made a mistake.
- She was then told by Santander on a call– that there was a direct debit set up in the banks' records as at 10 July 2024. So this should've been used to make the missed payment.

Santander said:

- Mrs C spoke to Santander on 6 June 2024 and asked to cancel the direct debit.
- So, that meant the payment due wasn't made, and Mrs C's credit file was marked. The bank said this was an accurate record of what happened and it couldn't be removed.

- But as a gesture of goodwill, the bank refunded the fee of £12 and interest paid of £18.96.

Mrs C brought her complaint to us. Our investigator didn't uphold it. She said:

- On the call on 6 June 2024, Mrs C did ask to cancel the direct debit. And so that's what the bank did.
- And, that led to the next payment being missed, and Mrs C being charged a fee and interest. Santander refunded those costs.
- And, her credit file was marked with a late payment mark for the month. And as banks must report accurate information to the credit reference agencies (CRAs) the mark couldn't be removed unless there was an error by the bank – which was not the case here.

Mrs C didn't agree. In response she said:

- She had two active direct debits on her account at her current account bank (which wasn't Santander). And she showed evidence from that bank which confirmed that.
- She was told by Santander on another call that she had an active direct debit as at 10 July 2024 – so that should've been active and take the payment when it was due.
- Another person at Santander told her that wasn't the case.
- Mrs C asked that all the calls between herself and Santander are listened to.

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 was very sorry to learn of Mrs C's sudden loss and the deep upset this caused her. This comes across in several the calls she had with Santander – as she was trying to come to terms with what happened.

I want to assure Mrs C that I've listened to all the calls she had with Santander as well as reviewing all of Santander's records. I have considered everything involved with her complaint very carefully.

It's not in dispute that Mrs C missed the payment that was due by 8 July 2024. And as a result, she was charged a fee and interest – which Santander refunded.

But, the main issue to be considered is the late payment marker added to her credit file because of the missed payment. Mrs C says she didn't cancel the direct debit on her call with the bank on 6 June 2024. I listened to this and all the other calls. I summarise each one here.

Call – 6 June 2024:

Mrs C was questioning how she had come to owe the amount she did on the credit card – she was confused as to how it was so much and why the payment of £1,237.32 had been taken.

Santander's call handler tried to explain how the statement and bill cycles worked, and that

the payment of £1,237.20 related to purchases made in the month of April 2024 through to early May 2024. He went through some of the larger purchases made. But Mrs C became very emotional and in all honesty wouldn't listen. She then said: *'this is disgusting...just cancel it (the card)...I will pay by cheque... cancel the direct debit (and) I will cancel the (swear word) card.*

Mrs C was upset on the call, and it's fair to say she may have been somewhat confused – which was understandable given her sad loss and the effect it was having on her.

But - I am satisfied that Mrs C asked that the direct debit was cancelled. And she said she would pay the credit card bill by cheque. And Santander's records show it was cancelled on 6 June 2024 – the time of Mrs C's call.

Call – 10 June 2024:

Mrs C called and was trying to understand the figures again. She said the amount of £1,237.20 wasn't correct. The call handler started to go through how the statement billing cycle worked and said: *'let's have a look together'*. But Mrs C then said: *'I'll be getting rid of the card'* and discontinued the call.

Call – 18 July 2024:

Mrs C called and was angry about the fee and interest charged. She said: *'you've taken £1,200 off me...don't owe you any money'*.

Santander's call handler told Mrs C the direct debit had been cancelled on 6 June 2024. Mrs C said she had been to her bank and there were two direct debits set up on that account. She said she hadn't cancelled the direct debit.

The call handler offered to refund the charges and interest. And in response to Mrs C statement that she would close her credit card account, put a 'closure lock' on it (so the card couldn't be used).

Call – 18 July 2024 (second call):

Mrs C said she'd been to her bank and been shown she had two direct debits to Santander set up. One had been cancelled by Santander on 6 June 2024. She said again that she hadn't cancelled the direct debit on 6 June 2024. The call handler offered to transfer her to its support team, but Mrs C said that wasn't needed.

On the call, a new direct debit was set up to pay the full balance of the card account. The call handler said it would take care of the next payment due on 5 August 2024.

A complaint was raised.

Call – 19 July 2024:

This call was made by Santander's 'customer care' team to Mrs C – they asked her if she was OK, and did she need any support or help. The call handler was very empathetic but Mrs C said she didn't need any help.

Call – 22 July 2024:

Mrs C was concerned about the mark on her credit file. Her next payment date and amount due (by direct debit) was checked.

Call – 23 July 2024:

Call with the complaints team. It was confirmed that Mrs C's call on 6 June 2024 had been listened to – and she did cancel the direct debit. It was then set up again on 18 July 2024.

Mrs C said she had been told there was a direct debit operating on 10 July 2024.

The call handler refunded the fee and interest but said the mark on Mrs C's credit file must stay in place as there was no error on the bank's part.

Call – 25 July 2024:

Mrs C said she didn't remember calling on 6 June 2024. She agreed to pay the (then) balance of £76.02 through her bank (which I see she then did). The call handler offered support regarding the loss of Mrs C's husband.

Call – 5 August 2024:

Mrs C said she'd confirmed there were two direct debits set up at her bank. And she had been told by Santander that there was an active direct debit on her account on 10 July 2024.

Call – 6 August 2024:

Mrs C said she'd changed her mind about cancelling the credit card and it was reinstated. The call handler said the card could now be used as normal.

From these calls it is relevant to note:

- Mrs C did cancel the direct debit on 6 June 2024. And Santander correctly cancelled it. Mrs C said she wanted to cancel the card and would make the payment herself.
- So, she missed the payment due on 8 July 2024 as a result.
- Santander set up the direct debit again on 18 July 2024 at Mrs C's request.
- Mrs C wasn't ever told there was an active direct debit operating as at 10 July 2024.
- I thought that Santander's call handlers were in most cases empathetic to Mrs C's situation and tried to take her through the transactions and how the credit card works – but unfortunately, Mrs C became emotional and this didn't help her to understand matters relating to her account.

I should explain how the direct debit system works. The fact that there were two direct debits showing on her current account at her other bank isn't really relevant – all that means is that her bank has an authority to pay the money when Santander asks for it from Mrs C's bank.

Santander does that each month when the credit card payment is due. And as Mrs C had cancelled the direct debit with Santander, the money wasn't 'claimed' by Santander in July 2024.

Santander have already refunded the fee and interest paid by Mrs C. I need to decide whether I can reasonably ask the bank to remove the late payment mark from her credit file. And here, all banks (including Santander) must report accurate information to the CRAs, and

it can only be changed if there has been an error on the part of the bank. And, for the reasons I've explained, I don't consider Santander did make an error (as Mrs C asked for the direct debit to be cancelled) and so I can't reasonably ask the bank to remove it.

Mrs C has been through a very difficult time, and I really hope that things are getting better for her by now. I hope she can see I've reviewed what happened thoroughly and appreciate what I've said and explained. But - I am not asking Santander to do anymore to settle her complaint.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 15 January 2025.

Martin Lord
Ombudsman