

The complaint

Mr A complains that mismanagement by Zopa Bank Limited has negatively impacted his credit file.

What happened

Mr A took out a £25,000 loan with Zopa on 6 January 2023. He needed to repay £1,219.77 per month for 24 months.

Mr A says that Zopa didn't tell him that changing his payment date would require two loan repayments in the same month. He says that, as a result, his account was marked as being in arrears and he agreed a monthly payment plan to address this. Mr A says that, despite this, Zopa reported adverse information to the credit reference agencies.

Zopa says it has already addressed and upheld Mr A's complaint about the poor service he received when he changed the payment date. However, it said the account remained in arrears and this additional payment is still required.

Our investigator did not recommend the complaint should be upheld. She explained that this service had already considered Mr A's related complaint for the events up until December 2023 and so could not make a finding on these aspects again. She found that Mr A's account remained in arrears in 2024 and, despite agreeing three repayment plans for the additional amount, these were not adhered to. So, our investigator did not conclude that Zopa had made an error when it reported the missed payments to the credit reference agencies.

Mr A responded to say, in summary, that the arrears were a direct consequence of the changed payment date, and he would never have proceeded with the change had he known he'd need to make two payments in a single month. He added that Zopa's reporting is misleading as he's consistently made his contractual repayments and it's now impacting his credit history. Finally, Mr A has confirmed his loan account is now settled which he says is further evidence that it was well-managed.

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 acknowledge that Mr A is saying the adverse markers on his credit file are entirely due to the miscommunication from Zopa when he changed his payment date in May 2023. As this, and the related consequences, up until December 2023, were considered in a previous complaint to this service, I cannot consider them again here.

I've seen evidence to show that Mr A continued to make contractual payments, but no payment was received between 6 December 2023 and 2 February 2024, and no additional payments had been made towards arrears by the end of February 2024. So, I'm satisfied Zopa's reporting to the credit reference agencies was an accurate reflection of the loan account's status.

On 6 February 2024, Mr A agreed to a short-term repayment plan to reduce his arrears. He agreed to pay an additional £100 per month on 1 March, 1 April and 1 May 2024. During this time, only one additional amount of £100 was received, on 20 March 2024, and so the plan was broken.

I've listened to the call Mr A had with Zopa on 25 March 2024 when this was explained to him, and a similar plan was set up with agreed £100 repayments scheduled for 15 April, 15 May and 15 June 2024. None of these payments were made and the plan was again broken.

A third plan was set up with an agreement to pay £100 on 3 May, 3 June and 3 July 2024. This time Mr A paid an additional £100 on 9 May 2024, and an additional £80 on 20 June 2024.

As such, Mr A's account remained in arrears, and I can't see Zopa was wrong to report it as such.

I acknowledge that Mr A has now repaid the loan, and this will now be reflected on his credit file. However, for the above reasons, I don't find Zopa needs to make any amendments as it is legally obliged to report accurate information to the credit reference agencies.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 February 2025.

Amanda Williams
Ombudsman