

The complaint

Mr P complains that Ikano Bank AB (publ) reported a missed payment on his credit file.

What happened

On 9 May 2024 Mr P changed his direct debit payment date via the Ikano app. He requested for his payment date to be changed from 15th of each month to 28th of each month.

Mr P called Ikano on 10 May 2024 to check that the change of date request had been received and whether the next due date for payment would be 15th May or 28th May. The advisor told Mr P that it would probably be 28th May but that it was possible that the payment would still be due on 15th May.

Ikano claimed the direct debit payment on 15th May but it was returned unpaid by Mr P's bank.

Mr P contacted Ikano on 31 May. He said he'd been made aware that a payment was overdue from 15th May. Mr P made a manual payment to bring the account up to date and asked whether a late payment would be reported on his credit file. Ikano waived the arrears fee as a gesture of goodwill.

Mr P's later discovered that a missed payment had been reported on his credit file. He complained to Ikano.

Ikano issued a final response in which it upheld the complaint on the grounds that the advisor could've been clearer when providing information about the next due date. It offered compensation of £40 for the service issue. Ikano said it was unable to remove the late payment from Mr P's credit file because of its obligation to provide full and accurate information to the credit reference agencies.

Mr P remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said Ikano had dealt with the complaint fairly and that it had correctly reported the missed payment.

Mr P didn't agree. He said the impact of the missed payment marker on his credit file was severe and that reporting the missed payment was unfair given that he'd made the payment within the same month.

Because Mr P didn't agree I've been asked to review the complaint.

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 Mr P, 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 those points which are most relevant to my decision. If I don't comment on a 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.

I've listened to the call dated 10 May 2024. During the call, the Ikano advisor confirmed to Mr P that his direct debit had been updated but said there was a possibility that the payment might be taken on 15 May and asked Mr P whether this would be a problem. Mr P replied that there would be no issue if the payment was taken on 15 May.

Having listened to the call, I agree that the advisor could've been clearer in explaining to Mr P that his payment would still be taken on 15 May and that the new direct debit date wouldn't take effect until the following month. However, I've also taken into account that Mr P was warned that the payment might be taken on 15 May and that he expressly confirmed that this wouldn't be an issue. So I think Mr P was aware of the possibility that the payment would be taken on 15 May and that he should've made his arrangements on that basis.

I've also reviewed the screenshot provided by Ikano, which shows what Mr P would've seen when he changed his direct debit date via the app. The screenshot makes it clear that the changes wouldn't take effect until June 2024.

I appreciate that Mr P made a manual payment on 31 May to bring the account up to date. Mr P said he waited until after 28 May to contact Ikano about the missed payment because he wanted to check whether a payment would be taken on 28th May. I understand why Mr P did this. However, the payment due on 15 May had already been missed.

Mr P has said that he was advised by Ikano during the call on 31 May that the missed payment wouldn't be reported on his credit file. I've listened to the call, and I can't agree with Mr P on this point. The advisor told Mr P that the missed payment would be reported and explained the process for adding a note of correction to his credit file.

Even though Mr P made a payment at the end of May, Ikano had to report the missed payment because of its obligation to report accurate information to the credit reference agencies. Ikano doesn't have a discretion in this regard. This service can only ask Ikano to amend a credit file where the information has been reported in error. In this case, I haven't seen any evidence of an error in the reporting.

Taking everything into account, I think Ikano has resolved this complaint fairly. I'm satisfied that the compensation offered reflects the fact that the advisor on the first call could've been clearer. However, for the reasons I've explained, I'm unable to require Ikano to amend Mr P's credit file.

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 P to accept or reject my decision before 18 February 2025.

Emma Davy
Ombudsman