

## **The complaint**

Mrs C complains that TSB Bank plc have unfairly registered adverse information with the Credit Reference Agencies (CRA's) regarding a late payment on her credit card.

## **What happened**

Mrs C has a TSB credit card. She says that due to serious ill health with two of her family members she was unaware that she had made her payment late for the TSB credit card as she had to spend a lot of time going back and forth to the hospital and to the doctors. She says that she normally makes her credit card repayment in three payments. For her £156.91 which was due, she had already made a repayment of £60 and another payment of £50 before the due date, however, she says she genuinely forgot to make the third payment due to her circumstances.

Mrs C says that TSB have charged her a fee for this, and they have registered adverse information with the CRA's about this despite her informing them of her circumstances regarding the late payment. She says she received no notification from TSB that she was late with the remaining payment or that they had reported adverse information to the CRA's. Mrs C made a complaint to TSB.

TSB did not uphold Mrs C's complaint. They said in line with the terms and conditions of the account, they'd applied adverse information due to the minimum payment not being made. Mrs C brought her complaint to our service.

Our investigator did not uphold Mrs C's complaint. He said TSB have a duty to report accurate information to the CRA's, even when Mrs C didn't intend to miss a payment. He said he couldn't evidence any errors from TSB.

Mrs C asked for an ombudsman to review her complaint. She made a number of points. In summary, she said she didn't dispute paying late, but this was the first time she had been late with a repayment, and she would expect TSB to use their discretion in these types of circumstances. Mrs C says she received no notification from TSB that she hadn't paid the remaining amount due, or that they told the CRA's about this – which has affected her credit rating. She included quotes from TSB's website about them supporting customer's during tough times, which she says they didn't do this.

## **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.

Mrs C has made a number of points to this service, and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

It's clear to me what a difficult set of circumstances Mrs C has had with two family members and their health around the same time. I won't go into a great level of detail in this decision

about what she's told us to help protect her identity, but I can assure Mrs C that I have read everything she's told us, and I wish to pass on my condolences for her loss.

I also don't think there's any doubt that Mrs C genuinely forgot to pay the remaining amount of £46.91 which should have reached her account by 16 October 2023, due to what she was going through. But in order for me to ask TSB to take action on her complaint then I'd need to see that TSB had made an error with what they'd done.

As my role is impartial, I need to be fair to both sides. So it wouldn't be fair for me to say that TSB must do something as a gesture of goodwill if they hadn't acted outside of the agreed terms, even if this was the first time Mrs C had been late with a repayment due.

So I've looked at what the terms and conditions say about missed/late payments. While Mrs C would say her payment was late as opposed to being missed, the reality is that if the full minimum payment wasn't paid by the due date, then the minimum repayment was missed at the due date, even if it is paid at a later date.

The terms show in the other key information section that under term 10.2 that *"Missing payments could have severe consequences including, for example, charges being applied to your account and adverse effects on your credit rating making credit more difficult to obtain."*

So I am persuaded that TSB made Mrs C aware that a missing payment could lead to charges and affect her credit rating. So as TSB had made her aware of this previously, I'm not persuaded that it would be proportionate for them to send Mrs C a separate notification to inform her they were going to report any missing/late payments to the CRA's.

The terms also show under 15.4 that *"If you miss a minimum payment one month your statement for the next month will show that months minimum payment together with the minimum payment you failed to make the previous month"*.

So as Mrs C missed the full £156.91 payment she was required to make by 16 October 2023 as shown on her credit card statement (even though she did repay £110 of this), then she was notified of this on her statement dated 21 October 2023. So Mrs C was notified of the arrears on the account via her statement dated only five days after the payment due date.

I can see from Mrs C's following statement that she did make the repayment of the missing £46.91 on 1 November 2023, however, as this was made after the due date of 16 October 2023, then TSB reported to the CRA's that her contractual minimum repayment was missed/late.

TSB's statements that they sent to Mrs C show that there is a £12 late payment charge which they would've been entitled to charge, but I couldn't locate this charge in the month her full minimum payment was missed, or the following statement period.

I've considered what Mrs C has said about what TSB show on their website. But TSB also have a regulatory duty to report accurate information to the CRA's about her repayment history. And this is what they've done here. So I can't fairly say that TSB have made an error here, despite Mrs C's circumstances at the time.

But Mrs C may wish to consider registering a *"notice of correction"* with the CRA's to explain what happened here. This is a short explanatory note that she can add to an entry on her credit file, to explain the background to that entry. So anyone who searches her credit report, would see the notice of correction, and take the notice into account if they viewed her credit file.

Prospective lenders will each consider a notice like this differently and it isn't a guarantee that they will put the underlying payment information to one side. But given how strongly Mrs C feels here - it is an option that is open to her. She would need to contact the CRA's to do this. But as TSB are obliged to report accurate information to the CRA's, which I'm satisfied they've done here, it follows I don't require TSB to do anything further.

### **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 25 February 2025.

Gregory Sloanes  
**Ombudsman**