

The complaint

Miss M complains about missed payments recorded on her credit file by Metro Bank PLC.

What happened

In July 2023 Miss M closed her Metro Bank credit card but due to systems and administrative issues a credit balance of £472.32 was refunded twice. The funds were transferred from Miss M's current account with Metro Bank to another bank account with a different business. Metro Bank quickly contacted Miss M about the double refund and said it needed to make arrangements for the overpayment to be returned.

Miss M went on to raise a complaint about the issue and spoke with various agents at Metro Bank. Metro Bank issued its final response to Miss M on 10 August 2023 and explained how the error had occurred and that she was liable to repay the outstanding balance of £472.32. Metro Bank confirmed the minimum payment was due on 28 August 2023 and that Miss M should make arrangements to repay the duplicate refund of £472.32 or set an arrangement for the outstanding balance. Metro Bank also agreed to pay Miss M £50 in recognition of the distress and inconvenience caused.

Miss M referred her complaint to this service and it was passed to an investigator. Miss M didn't make any payments to the credit card while her complaint was being investigated and Metro Bank recorded missed payments on her credit file for August, September and October 2023. Miss M's complaint was ultimately upheld with Metro Bank agreeing to pay £150 for the distress and inconvenience caused. But the investigator confirmed Miss M was liable for the outstanding balance. Miss M cleared the balance in full in December 2023.

Last year, Miss M complained to Metro Bank again and said the missed payments had been unfairly recorded on her credit file. Miss M asked Metro Bank to remove them. Metro Bank issued a final response on 1 October 2024 but didn't uphold Miss M's complaint. Metro Bank said its agents and final response had advised Miss M she needed to either return the overpayment or make payments to her credit card when discussing the problem in August 2023. Metro Bank didn't agree to remove the late payment markers from Miss M's credit file.

Miss M referred her complaint to this service. The investigator explained that because we'd previously considered her complaint about how the duplicate refund came about we couldn't consider that issue again. As Metro Bank hadn't previously dealt with a complaint from Miss M about the missed payments recorded on her credit file the investigator was satisfied we could consider that issue. The investigator wasn't persuaded that Metro Bank had unfairly recorded missed payments on her credit file and didn't uphold Miss M's complaint. Miss M asked to appeal, so her complaint has been passed to me to make a decision.

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'd like to begin by saying I'm aware that Miss M has previously submitted a complaint to us concerning the refunds Metro Bank issued in July 2023 that led to her owing £472.32. The investigator agreed with Metro Bank's claim that it had made a mistake and issued the same refund twice in July 2023 and that the funds should be returned to it by Miss M. I'm not considering that part of Miss M's complaint further in this decision.

The issue I have to decide is whether the missed payments recorded on Miss M's credit file in August, September and October 2023 have been fairly applied. In reaching my decision, I've looked at the contact notes Metro Bank has supplied, listened to Miss M's calls with the business and looked at the final response that was issued 10 August 2023 to see what guidance it gave concerning the requirement to make payment. I'd like to assure Miss M and Metro Bank I've read, listened to and considered all the available evidence when reaching my decision.

During one of the calls Miss M had with an agent at Metro Bank she was advised her credit file wouldn't be impacted and I accept that wasn't right. But the remaining information given by Metro Bank specifically confirmed Miss M needed to maintain at least the minimum payment in relation to the balance that remained outstanding due to the double refund. I note Metro Bank's final response specifically advised Miss M *"you are still liable for the duplicate amount of £472.32. As you have had the benefit of the funds, please contact our Borrower Services team... to either pay the balance in full or set an arrangement for the balance...Please note the minimum payment on your credit card is due on 28 August 2023 for £23.87 and therefore you will need to ensure this payment is made as failure to do so can result in the credit file showing missed payments."* So whilst I understand there was some confusion on the phone, I'm satisfied Metro Bank made the Miss M's responsibility for maintaining her credit card payments clear and specifically advised failure to do so could impact her credit file.

I also think it's fair to note Metro Bank continued to issue monthly credit card statements to Miss M that confirmed the outstanding balance and what she needed to pay during this period.

I understand Miss M had an ongoing complaint and went on to refer the matter to this service. But raising a complaint doesn't stop the terms of a credit agreement from applying or mean a business has to stop reporting whether payments have been received to the credit reference agencies. Ultimately, there was an outstanding balance that was legitimately owed by Miss M to Metro Bank and no payments were made in August, September and October 2023 which is accurately reflected on her credit file. I'm sorry to disappoint Miss M but as I'm satisfied Metro Bank is reporting accurate information about how credit card payments were made on her credit file I haven't found grounds to tell it to remove the missed payments or uphold her complaint.

My final decision

My decision is that I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 13 March 2025.

Marco Manente
Ombudsman