

The complaint

Mrs S complains that Frasers Group Financial Services Limited trading as Studio recorded adverse information on her credit file.

What happened

My provisional decision of 6 March 2025 set out the background to this complaint:

“Mrs S said she had been unable to log into her online account and could not reset her account. On 11 September 2023, Mrs S made her monthly repayment over the phone.

On 19 October 2023, Studio said her email address had been “de-registered” and suggested ways for Mrs S to reset her password. Mrs S emailed Studio again to say she had followed all of Studio’s instructions but she could not access her account to make payments. Mrs S complained that Studio did not help her access her account, despite her emailing and calling – Studio provided screenshots of a number of calls to Studio between November 2023 and February 2024 that lasted less than two minutes. Mrs S says that these calls had recorded messages saying it could not help customers log on online before hanging up.

Mrs S contacted our service but Studio said it hadn’t received a complaint, because Studio Retail Trading Ltd had previously been responsible for Mrs S’s account. Whilst trading under the company name “Studio”, Frasers Group Financial Services Limited took over the account in January 2024. Studio carried out its own investigation into the complaint. Mrs S told Studio that she has “not paid a penny since that started only because of my strong position as a customer. After finally being able to login, I have found the outstanding balance which is required to be paid in full without having an option to pay in instalments.”

On 9 May 2024, Studio issued a final response to Mrs S’s complaint. Studio said there was a known issue for some customers being unable to log in to use its online services. Mrs S could have made repayments using a direct debit, paying over the phone, using the automated payment line, paying at a bank or via a postal order or cheque. Studio said it was required to report missed repayments on Mrs S’s credit file and her account was currently in arrears.

Unhappy with this response, Mrs S referred her complaint back to our service. Our Investigator said Mrs S had been sent statements explaining the different options to pay her bill. In summary, Mrs S said that when she had called Studio, she received a programmed message saying that if she was having trouble logging in, they were unable to help and the call ended. Mrs S said she was treated unfairly for many months and, out of principle of losing the full services, she did not make payments. Mrs S said she did not pay over the phone because how would she know who she was paying and for what, when she could not check her account online and Mrs S provided screenshots of the calls made between November 2023 and February 2024 to 0371 376 5682.

Our Investigator reconsidered the evidence and said there was evidence Mrs S was making reasonable efforts to try resolve things. So, our Investigator said Studio should remove the late payment markers from Mrs S’s account. In response, Studio said the calls Mrs S made

were not long enough to go through to its automated payment line or enter her payment details. Studio also said Mrs S's emails had been sent to Studio Retail, not Fraser Group Financial Services trading as Studio, as the lender.

At Studio's request, this was referred for a decision. After reviewing this case, I asked Studio for copies of the statements sent to Mrs S. These were sent by letter and all said Mrs S could make her payment online at its website ace.co.uk, by giro credit, or by calling 0371 376 5680. Studio said there was no evidence to show there were any problems with the automatic payment line.

Studio said it has put a hold on interest and charges, and collections activity, whilst our service investigates the complaint. But Studio has said it will recommence collections activity and Mrs S's account may default."

I then explained my provisional findings:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm not minded to uphold this complaint.

Fraser's Group Financial Services Limited trading as Studio has explained it took over Mrs S's account in January 2024, and it is not clear from the emails Mrs S provided that this company that is responsible for this complaint was responsible for the service she received prior to this date. So, I cannot hold Fraser's Group Financial Services Limited trading as Studio responsible for any inconvenience caused before this date. But even if I were to conclude it was responsible for any difficulties Mrs S had making repayments online since this date, it remained that she was able to make payments through other means.

I note Mrs S had no issues making a payment in September 2023. Mrs S said she made several calls to make payments over the following months – but these calls were not made to the number clearly listed on her statements, which were issued to her by post. I also can't hold Studio responsible for any difficulties Mrs S had calling a number that was not listed on her statements. And in any event, Mrs S remained responsible for making her contractual monthly repayments and also had the option to pay by direct debit or giro credit. So, it is not acceptable simply to say no payment will be made because one payment method is unavailable.

As Mrs S had several options to make repayments, I think Studio was entitled to record missed repayments. I've seen nothing to suggest Studio has recorded adverse credit information incorrectly, or that the interest and charges applied to the account prior to May 2024 were incorrect.

Studio has explained it put a hold on Mrs S's account. It is important for me to make two things clear. I can only consider Studio's actions until the date of its final response in May 2024. Mrs S should also understand the Information Commissioner's Office normally requires a default to be registered after three to six months of arrears have accrued. Here, Mrs S made a repayment in September 2024 so Studio could have recorded her account as in default by March 2024 – after six months of missed repayments. I would normally recommend Studio record the account as in default in March 2024. But Studio suspended interest from April 2024, as it would have done had the account been defaulted. Studio has also not issued Mrs S a default notice, so my recommending a default be recorded in March 2024 could result in a default that could be avoided if Mrs S now repays the arrears (which a default notice would have given her a further opportunity to do).

Studio placed a hold on collections activity because our service was considering the complaint – we would not normally require it to do so. And once my final decision is issued, Studio has confirmed it will recommence collections activity if the account is not brought up to date. So, Mrs S may wish to contact Studio at her earliest convenience to bring the account up to date (if able to do so) or if this is not affordable, she discuss the repayment options available to her with Studio directly. As I said above, I'm not able to consider any action Studio now takes because it occurred after its final response of May 2024.

I realise my decision is likely to disappoint Mrs S, but I'm not minded to recommend Studio take further action with regards to how it handled her account before May 2024."

In response to my provisional decision, Mrs S reiterated her complaint and re-sent copies of emails already provided to our service, that confirmed she had issues logging into her online account. Mrs S said she wants a minimum of £5,000 compensation for the severe distress this matter has caused her.

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.

Having done so, I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision. I will also address some of the points Mrs S made in response to my provisional decision.

Mrs S has re-sent copies of emails before and after Frasers Group Financial Services Limited trading as Studio took over Mrs S's account in January 2024. I don't dispute that these emails confirmed Mrs S had some issues logging into her online account. But it remains that she had multiple other ways to make payments to her account.

Mrs S says she was only given other options to pay in September 2025 – but the statements provided by Studio all give multiple options for payment, and the final response of 9 May 2024 also explained other ways to pay.

Mrs S sent copies of online reviews of Studio, but these do not demonstrate that there were issues calling the number listed on her statements prior to May 2024, or that the other payment options shown on her statements were also unavailable.

Mrs S says her credit history has been damaged, but Studio is obliged to record missed repayments and ensure her credit file is a true and accurate reflection of her account history.

I'm sorry Mrs S has been caused anxiety and distress by this matter. And whilst Studio has acknowledged Mrs S faced log in issues, it's not clear that there were any significant customer service failings on the part of Frasers Group Financial Services Limited trading as Studio that I think require compensation, or that any such errors prevented Mrs S from making her contractual repayments. And as a reminder to Mrs S, I've not considered Studio's actions after 9 May 2024.

I realise my decision is likely to disappoint Mrs S, and I'd remind her she does not have to accept my decision. But I do want to stress to Mrs S that as I've not been made aware that Mrs S has brought her account up to date, it's likely her account will likely remain at risk of defaulting and she should contact Studio to discuss her options as soon as possible.

My final decision

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 22 April 2025.

Victoria Blackwood
Ombudsman