

The complaint

Ms K complains that, although she only missed a mortgage payment to Bank of Scotland plc trading as Halifax by a few days, Halifax has recorded this as over a month late. Ms K wanted Halifax to remove this mark from her credit file.

What happened

Ms K said she missed the mortgage payment to Halifax due on 28 March 2024, by a few days. She said it was paid very quickly after the due date, but Halifax had reported the payment as having been missed by a full month on her credit file. She said that was wrong, but Halifax had refused to change it.

Ms K said this mark on her credit file was stopping her from obtaining lending to grow the businesses she runs. She wanted Halifax to remove it, and to pay her compensation.

Halifax didn't think it had made a mistake. It said that it understood Ms K believed a payment had gone through for March, but it hadn't. That month's payment wasn't received until April.

Halifax said it reports arrears to credit reference agencies whenever someone is behind with their payments by an amount equal to or greater than one monthly mortgage payment. Ms K's payments had been running behind for a few months before March 2024, but the amount of arrears was less than a monthly payment, so this wasn't reported. However, at the end of March 2024, Ms K was behind on her payments by more than a monthly payment, so Halifax told the credit reference agencies that Ms K had arrears of one month on her mortgage.

Halifax didn't think the mark on Ms K's credit file was a mistake, and it wouldn't remove it.

Our investigator didn't think this complaint should be upheld. She said she understood the payment was only late by a few days, but the payment still wasn't made in March 2024, the month when it was due.

Ms K objected. She said her credit file showed the payment as "*1 month late*" and that wasn't accurate, because it was only a few days late. But our investigator didn't change her mind. She didn't think that Halifax had reported the payment as over a month late.

Ms K still thought that it was unfair for her payment to show as "*1 month late*". She wanted her credit file to show the precise number of days the payment was late instead. Ms K also said there was a grace period for direct debit payments, and she thought her mortgage should benefit from the same arrangement.

Ms K wanted her complaint to be considered by an ombudsman, so it was passed to me for a final 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've reached the same overall conclusion on this complaint as our investigator.

Ms K said she'd raised other concerns with Halifax, but they hadn't been properly logged. Our investigator has explained that our service needs to give Halifax a chance to respond to a complaint first, and wrote to Ms K to ask if she'd like Halifax to look into those concerns now. Ms K hasn't replied to that. I won't look at Ms K's other concerns here.

This complaint deals with the payment Ms K missed in March 2024, and made up very quickly after that, in April.

Ms K says Halifax has told credit reference agencies that her payment was "*1 month late*". But I've seen what Halifax has reported to the credit reference agencies, and it is as Halifax said. Halifax has reported the code which applies when someone's reached the end of the month, and their mortgage is in arrears equal to or greater than one monthly payment.

Halifax hasn't said anything to credit reference agencies about exactly when the mortgage was brought up to date. But because Halifax reported the mortgage as not in arrears the following month, it's clear that this happened in April.

This credit file reporting is in line with the principles agreed between lenders and the Information Commissioner's Office, and is the same standardised system as operated by other mortgage lenders. I don't think Halifax has to report anything differently here.

Ms K has shown us a credit file which says "*1 month late*" for her Halifax mortgage. I understand that this isn't precise language. But I think there are two important points here.

Firstly, other lenders operate the same credit file reporting system, so if they're looking at this mark when considering whether to lend money to Ms K in future, they can be expected to understand how the reporting works, and what exactly it means. And secondly, Halifax isn't responsible for how a credit reference agency describes Ms K's March arrears. So if imprecise language has been used here, and Ms K feels that's misleading, I would say that I don't think other lenders are likely to be misled in the way Ms K fears, and that even if they were, that wouldn't be Halifax's fault.

Ms K also said she thought there should be a grace period for payments, like with direct debits. But I can see Ms K was making manual payments to her mortgage at this time. Ms K is able to make those payments at any time during the month that they are due. However, if Ms K doesn't make her payment during that month, and her outstanding debt to Halifax is equal to or more than one monthly payment at the end of the month, then Halifax may report that to credit reference agencies. I don't think Halifax has to offer Ms K an additional grace period, after the end of the month when payment is due, to make her payment.

Ms K might like to know that Halifax also has a duty to report an accurate payment history to credit reference agencies. Halifax gives a commitment to credit reference agencies that it will tell them how its borrowers are maintaining their mortgages. That's part of the agreement it reaches with the agencies to be able to access information on other borrowers. So, in reporting the arrears to Ms K's credit file, and then saying it wouldn't remove that mark, Halifax isn't just choosing to be difficult here. It's complying with a legal duty.

I understand that Ms K has found it difficult to obtain credit since this mark went onto her credit file, and I'm sorry to hear that. But because the information that Halifax has recorded on her credit file is, in my view, accurate, and because I don't think it's unfair or unreasonable, I don't think Halifax has to remove this now.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 7 April 2025.

Esther Absalom-Gough
Ombudsman