

The complaint

Mr H complains that Bank of Scotland plc trading as Halifax put negative markers on his credit file when he missed some mortgage payments, and didn't stop adding these markers when his payments resumed. Mr H says this is ruining his credit.

What happened

This mortgage is joint names, but in the circumstances of this case, our service has agreed to consider a complaint brought by Mr H alone.

Mr H said he'd had a difficult time in 2024. He told us that his former partner is still named on the mortgage for Mr H's home, and wants a share of the equity in the property, but isn't contributing to the mortgage payments. Mr H said he's now taking court action to remove his former partner from the mortgage. But in the meantime, he'd missed some payments.

Mr H said he understood that the missed payments needed to be made up, and he had a plan in place to do that. But he said he didn't understand why Halifax was still putting markers on his credit file each month. He said Halifax had told him this would continue until all the missed payments were repaid, and he said that didn't seem fair. Mr H said this was destroying his credit file, and had prevented him from obtaining any further credit.

Mr H said he wanted the late payment notifications to stop, and for his credit file to be amended.

Halifax didn't think it had made a mistake by noting arrears on Mr H's credit file. It said that in late 2023 Mr H asked for this mortgage to be placed on interest-only for a period of six months (under arrangements put in place under the Mortgage Charter). That six month period started in December 2024. During this period, the fixed interest rate on Mr H's mortgage ended, but as the mortgage was on the Mortgage Charter, Halifax didn't ask Mr H to pay any more right away. However, at the same time as the interest rate rose, Mr H decided to stop paying towards this mortgage.

Halifax said Mr H had told it he'd made this decision because his former partner wouldn't agree to transfer the mortgage into Mr H's sole name. Mr H said he wanted to stop his former partner obtaining even more equity in the property. He told Halifax he could afford the mortgage payments, but didn't want to pay them.

As Mr H's mortgage was then under the special arrangements for the Mortgage Charter, and Mr H had previously been a little ahead on his payments, arrears on this mortgage weren't reported right away. But at the end of May, Halifax wrote to Mr H to say his mortgage was in arrears. And from June 2024, Halifax started telling credit reference agencies that Mr H was behind on his payments.

Halifax said it had spoken to Mr H since, and in late August he'd put a plan in place to pay off the arrears. Halifax accepted that it made a mistake when it first set up this plan, because it didn't make clear that Mr H would need to make a manual payment. So it paid Mr H £75 in compensation, and in October it arranged to put his plan back on the mortgage.

Halifax said it later, in November, removed Mr H's plan, because he'd applied for breathing space, which is part of a debt respite scheme. Halifax said it was concerned Mr H might be in financial difficulties, so it wouldn't keep taking extra payments towards his mortgage. Halifax showed us it had written to him to explain what it had done. It didn't think that was a mistake.

Halifax said the markers on Mr H's credit file would continue until the arrears were paid off. It said this had been explained to him, and stressed it had never suggested it would stop the markers once he got a payment plan in place.

Our investigator didn't think this complaint should be upheld. He said that lenders have a duty to report an accurate payment history to credit reference agencies. And as part of the mortgage agreement, if the account falls into arrears equal to or more than one month's payment this will be reported as arrears. That's what Halifax had done here. Our investigator said he couldn't ask Halifax to remove those markers. He said he'd encourage Mr H to speak with Halifax to try to come to an agreement about those arrears.

Mr H replied to disagree. He said we hadn't taken account of the arrears consolidation option, which he'd asked for on a number of calls. He said these marks on his credit file were the only thing stopping him from remortgaging to release equity and remove his former partner from mortgage. Mr H said arrears consolidation should have been discussed with him at the start, and if it had been, things would be different now. Mr H also said that Halifax should have told him from the outset that he could take up a new fixed rate without his former partner's agreement, because he said the mortgage payments had been much higher before he found this out.

Because no agreement was reached, this case came 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.

When Mr H complained to Halifax, and then referred his complaint to our service, he said he was unhappy with the report Halifax had made to credit reference agencies about the arrears on his mortgage. That's the complaint Halifax responded to, and the complaint our service has looked into for him.

Mr H now says that Halifax should have discussed consolidating these arrears with him much earlier. And he said it should have taken proactive steps to make sure he knew he could put a new rate on his mortgage, without needing to talk to the other person named on the mortgage.

Those are new issues, which Halifax hasn't had a chance to respond to, and which our service hasn't looked into. I don't think it would be appropriate for me to deal with those here, before Halifax has had a chance to respond on these points. So I'll ask Mr H to raise those issues with Halifax, in the first instance.

As for the markers placed on Mr H's credit file, I've reached the same overall conclusion as our investigator. I understand that, for personal reasons, Mr H decided to stop paying this mortgage. That resulted in arrears accruing, and Halifax has told credit reference agencies about this.

I think it's important to be clear about what that credit file reporting means. Halifax isn't reporting when Mr H misses a payment. What it's doing, is letting credit reference agencies

know each month, whether Mr H's mortgage is in arrears by one monthly payment or more. That's why the negative marks didn't stop right away when he restarted his payments. It's because Mr H was still in arrears.

Mr H said Halifax should be looking at his case individually, not just following a standard process. But the agreement Halifax has reached with credit reference agencies is that it will follow the same process for all its customers. It has agreed to provide an accurate record of Mr H's payment history. That's part of the deal it makes with those agencies. And in return, it can rely on information it gets from those agencies, being accurate. That means it won't let Mr H off, and fail to report arrears, because his previous payment history was good. Halifax has agreed not to do that.

So Halifax reports accurately, and leaves it to other lenders to reach their own conclusions on what this means for Mr H's credit. Importantly, it isn't responsible for those conclusions reached by other lenders. That means I can't hold Halifax responsible here, if Mr H now finds he isn't able to get credit elsewhere.

Mr H also suggested Halifax had told him that these payment markers would stop, once a payment arrangement was agreed to start paying the debt back. Halifax has firmly denied that. But even if Halifax had said this, that wouldn't automatically mean I could ask it to remove the markers, if they are indeed an accurate reflection of the payments onto Mr H's mortgage. And I'm satisfied that they are.

I know that Mr H will be disappointed by my decision here, but I haven't seen anything in this case to suggest that Halifax should not have placed arrears markers on his credit file, once those arrears had accrued. And that means this complaint won't be upheld. If Mr H wants to make a separate complaint, to say that if Halifax had acted differently, some or all of these arrears wouldn't have accrued, then it will be for a future ombudsman to consider that.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 July 2025.

Esther Absalom-Gough

Ombudsman