

The complaint

Mr C complains that NewDay Ltd trading as BIP reported adverse information about his credit card account to credit reference agencies.

What happened

In 2023, Mr C complained to NewDay that the credit card account wasn't affordable when it was sold. NewDay upheld that complaint, and agreed to refund all interest and charges on the account. It also agreed to suspend any future interest and charges. It said Mr C needed to repay the remaining balance on the account, but that after the balance was cleared it would remove any adverse information about the account that it had reported to credit reference agencies (CRAs).

Mr C continued to make payments on the account until July 2024 – when the minimum payment was made late. The payments due in August and September 2024 were also missed, and the account was brought up to date in October 2024.

Mr C discovered that NewDay had reported missed payments on his credit file. He made a complaint, and said it wasn't fair for NewDay to report adverse information when it had previously admitted that it shouldn't have sold the account. He said the adverse information had caused a credit application to decline when he needed to pay for repairs to his car. He said he paid a significant amount of additional interest as a result. He said the situation had caused him significant distress and asked to be compensated for this. He also queried the amount he was paying toward the balance each month, as it was higher than some of his other accounts with NewDay.

NewDay didn't think it had made an error, and said the payments were correctly reported as missed. But it agreed – on this occasion – to remove the adverse information from Mr C's credit file. It also said Mr C could speak to its customer care team if he needed any additional support or if the payments weren't affordable for him. Still unhappy, Mr C referred his complaint to this service. One of our Investigators considered the complaint, and didn't think NewDay had done anything wrong. Mr C disagreed, and asked for the complaint to be passed to an Ombudsman 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 can appreciate why Mr C is unhappy that NewDay has reported adverse information to CRAs – especially as it previously upheld a complaint about the sale of the account. I've considered whether NewDay made an error or otherwise acted unfairly by recording adverse information on Mr C's credit file. I haven't considered whether NewDay made an error when selling the account – and I won't comment on that issue here. But I've taken into account what was previously agreed by NewDay.

All lenders are required to report true and accurate information to credit reference agencies

about how their customers manage their accounts. Mr C feels that because his previous complaint was upheld, NewDay cannot fairly report adverse information about the account. But Mr C still has an agreement with NewDay, and is still required to make payments under that agreement each month. And NewDay still has a duty to report information about the account to CRAs.

NewDay has agreed to remove any adverse information from Mr C's credit file once the balance has been repaid in full. But as that hasn't happened yet, it will continue to report missed payments. I haven't seen anything to suggest that NewDay ought to remove adverse information before the balance is cleared.

I've reviewed Mr C's statements and the payment history on the account. I can see the payments due in July, August and September 2024 weren't paid by the date they were due. So, I don't think NewDay made an error or acted unfairly by reporting those payments as missed. I also haven't seen anything to suggest NewDay reported inaccurate information about this account to CRAs.

NewDay has now removed the missed payment markers from Mr C's credit file. Mr C says the markers caused him significant distress and inconvenience whilst they were on his file – as they prevented him from successfully applying for credit. But as the markers were applied fairly, I can't fairly hold NewDay responsible for this.

Mr C has queried the amount he's required to pay each month, as it's more than he's paying on his other accounts with NewDay. The payment due on the account each month is 2.75% of the outstanding balance. NewDay said Mr C can speak to its customer care team if he's struggling to pay so it can discuss his circumstances. I think this is reasonable.

I understand this will come as a disappointment to Mr C, but I don't find that NewDay made an error here, and I'm satisfied it acted fairly by agreeing to remove the adverse information it reported about his account. So, I won't be telling it to do anything further.

My final decision

My final decision is that I don't uphold Mr C's complaint about NewDay Ltd trading as BIP.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 April 2025.

Stephen Billings
Ombudsman