

## **The complaint**

Ms A complains about Clydesdale Financial Services Limited trading as Barclays Partner Finance ("Barclays Partner Finance") for advice it gave to her and its reporting of a missed payment for a period of time. She thinks that this caused her a financial effect in rates she was able to achieve with other financial products, and she wants the difference to be reimbursed to her

## **What happened**

Ms A had a loan with Barclays Partner Finance. In February 2022, she called Barclays Partner Finance and wanted to settle the loan in full.

The agent she spoke to told her a settlement sum, of around £780, and Ms A paid it immediately.

The agent advised her to cancel her direct debit for the loan. Ms A cancelled her direct debit.

Unfortunately, the direct debit had been requested for that month, and the settlement sum which the agent quoted had deducted the amount of the upcoming payment in anticipation of it being received.

When Ms A then cancelled the direct debit, this initiated a refund of the payment, leaving a balance owing on the loan of around £50. This amount remained outstanding on the account, and Barclays Partner Finance reported missed payments and arrears as a consequence of it. Ms A was not aware of this and thought that the account had been fully settled.

In March 2023, Ms A applied for a car loan from a third-party. The third-party offered rates starting from 10.9% APR. The third-party carried out a search of Ms A's credit file, and then offered her a loan with a rate of 12.9%. She took out that loan.

In Summer 2023, Ms A became aware of the arrears with Barclays Partner Finance. She settled these and complained to Barclays. She said that she had not been notified of the arrears, or that the account was still open, and these had been reported on her credit file since around March 2022. When Ms A noticed the issue, her credit score was being reported as around 500/1000. Barclays Partner Finance acknowledged that she had been wrongly advised of the settlement sum and advised to cancel her direct debit.

Barclays Partner Finance agreed to correct her credit file reporting and did this around July/August 2023. After the correction Ms A's credit score increased to around 990/1000. Ms A felt that this lower credit score had caused her to be offered a worse rate by the third-party car loan. She asked Barclays Partner Finance to compensate her for the difference in her loan payments (based on a 2% difference from what she thought it should have been).

Barclays Partner Finance declined to compensate her. It said that the information she had provided did not show that she would have been able to secure the better rate if the reporting had not taken place. Ms A was unhappy and contacted us.

Our investigator looked into this matter and did not recommend that Barclays Partner Finance do anything else. They explained that the evidence did not show that the reason for the rate offer was the missed payment reporting, and that rates will be based on multiple criteria. Ms A did not accept that view and asked for an ombudsman decision.

I issued a provisional decision in respect of this matter in February 2025. In that provisional decision I set out that I thought that Barclays Partner Finance had treated Ms A unfairly by wrongly advising her and that this had the consequence of impacting on her credit file for a period. I thought that it needed to put things right by paying compensation for her distress and inconvenience. I was not satisfied, however, that the rate on her car loan was a financial effect of the issue in service.

That provisional decision has been shared with the parties and they have been invited to comment.

Barclays Partner Finance accepted my provisional decision. Ms A did not.

### **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.

Neither party has set out any argument against the reasons I set out in my provisional decision. Ms A has said that she rejects the decision as she feels that she should be paid the 2% interest back.

I set out that I was not satisfied that Ms A would have been offered a different rate if there had been no issue with her credit file. I accepted that it was likely that the issue did cause an impact on her credit score, but I have not seen evidence that the credit score impacted the rate offered to her. Consequently, I considered that Ms A should be compensated for her distress and inconvenience caused by the impact on her credit file. I bore in mind, however, that Ms A was only aware of this impact for a short time before it was rectified. This meant that the impact upon her was mitigated, and I provisionally decided that Barclays Partner Finance should pay to her £150 compensation to reflect this.

In the absence of argument against my reasoning, I remain of the view set out in my provisional decision, and I adopt that decision, as supplemented by this decision, as my final decision.

I appreciate that this will be disappointing to Ms A, but I hope my reasons are clear

### **My final decision**

For the reasons set out above, and in my provisional decision, I uphold Ms A's complaint, and direct Clydesdale Financial Services Limited trading as Barclays Partner Finance to pay to Ms A £150 compensation for her distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 24 April 2025.

Laura Garvin-Smith  
**Ombudsman**