

The complaint

Ms M complains that Bank of Scotland plc (BOS) did not update the credit reference agencies (CRAs) with information about her credit card account.

What happened

Ms M took out a credit card account with BOS in 1995.

In May 2024, Ms M discovered that BOS was not updating CRAs about the status of her credit card. Ms M said BOS told her she could sign a form to authorise the disclosure of information about her account to CRAs, which she did. But when Ms M's credit file still did not show the BOS credit card in July 2024, she complained to BOS. Ms M was unhappy with the BOS complaints process, particularly as she was directed to web pages that did not exist and then told to then complain by phone.

In its final response, BOS explained that credit card accounts opened before May 1998 aren't reported to CRAs. BOS explained Ms M could apply for a new credit card account, but her credit limit may be reduced. BOS offered Ms M £150 compensation.

Unhappy with BOS, Ms M referred her complaint to our service. Ms M said she didn't want to apply for a new credit card as she may be offered a lower credit limit. Ms M said previous applications for borrowing had been declined or offered on less preferential terms, and Ms M believed this was ultimately due to the lack of information about her credit card on her credit file.

One of our Investigators reviewed Ms M's complaint and said the terms of Ms M's account did not oblige BOS to report information about it to CRAs and we cannot compel BOS to change its processes. Our Investigator agreed BOS's service was lacking and thought its offer of £150 compensation was fair.

Ms M didn't accept our Investigator's opinion, reiterating her belief BOS should tell customers if their information won't be reported to CRAs. Ms M said she thought BOS had breached its Consumer Duty towards her. Ms M added she had since applied for a new credit card (that is reported to CRAs) and her credit score has improved as a result. So, this has come to me for a 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.

It may be helpful to reiterate my role here. My role is to decide whether BOS has made an error and, if it has, whether it should do anything to put things right. Only the regulator, the Financial Conduct Authority, can tell BOS to change how it operates. So, I could not do as Ms M wishes and compel BOS to report information about her credit card account to CRAs.

When considering whether BOS made an error, I've considered relevant rules and regulations. In particular, Ms M has mentioned she thinks BOS breached its Consumer Duty towards her. The Consumer Duty came into effect on 31 July 2023. It is not retrospective, so I've not considered the Consumer Duty when considering BOS's actions prior to the Duty's introduction. However, I've thought about whether BOS acted fairly and reasonably taking into account applicable laws, rules and regulations that were relevant at the time – from 31 July 2023, this does include the Consumer Duty.

Here, Ms M thinks BOS should have told her information about her credit card would not be reported to CRAs. The terms and conditions of Ms M's account from 1995 were not available, due to the passage of time. The earliest terms and conditions available, from 2004, make no mention of reporting information to credit reference agencies and the current terms only say missed payments "may" be reported to CRAs. From what I've seen, the terms and conditions of Ms M's credit card account do not oblige it to report information about it to CRAs. Whilst Ms M assumed information would be reported, there is no evidence to suggest BOS ever indicated to Ms M that information about her credit card account would be reported to CRAs. As I cannot see BOS ever told Ms M she should expect to see this information reported by a CRA, and there was no change to this aspect of how her account operated, I don't think it was obliged to tell Ms M the status quo remained unchanged. The Consumer Duty's introduction did not revise the terms and conditions of Ms M's credit card account, so I don't think the Duty's introduction changed BOS's obligations here.

As I think BOS was under no obligation to report information about her credit card to CRAs, it follows that I don't think BOS is responsible for any financial loss Ms M believes she suffered. But even if I were to conclude BOS should have reported information about her credit card, BOS has explained to Ms M that many factors are taken into consideration when assessing an application for borrowing. And firms are usually not required to disclose their lending criteria. So, again, I think it's unlikely I would have awarded compensation here.

It is important to note that whilst I've not upheld the crux of Ms M's complaint, there's no debate the service she received here fell short of her expectations. Ms M says she was given inconsistent information about applying for a new credit card. But it doesn't appear that this inconsistent information caused Ms M to suffer a financial loss – although I accept it caused her frustration and inconvenience. Ms M also says she has been caused distress and inconvenience by being told BOS could report information to the CRAs, and by its overall complaints handling.

BOS offered Ms M £150 compensation before she referred her complaint to our service. And having considered the matter independently, I would have recommended £150 for the service Ms M received from May 2024 onwards if BOS not already offered it. Although I realise my decision will likely disappoint Ms M, I think £150 reasonably recognises the impact of being told, incorrectly, that information could be reported to CRAs alongside any distress or inconvenience in being given inconsistent information about applying for a new credit card and during the complaints process.

Putting things right

If it has not already done so, BOS should pay Ms M £150 compensation.

My final decision

BOS has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances. So, my decision is that Bank of Scotland plc should pay Ms M £150 compensation, if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 6 May 2025.

Victoria Blackwood
Ombudsman