

## The complaint

Mr O complains that Madison CF UK Limited trading as 118 118 Money unfairly recorded a missed payment marker against his credit file following a late payment.

## What happened

Mr O holds a loan account with 118 118 money. In September 2024, Mr O's payment of £59.39 was returned, causing his account to fall into arrears. Around two days later, Mr O made a payment of £55.82, and then a further payment of £3.57 a few days after, to bring his September payment up to date. However, around one to two months after, he noticed that 118 118 Money had reported a missed payment against his credit file, so he complained. He said given the payment was only a few days late, 118 118 Money had gone against established regulatory principles and industry standards in reporting adverse data.

118 118 Money responded, they said they were required to report information to credit reference agencies that represented a '*true and accurate reflection*' of how customers had maintained their account with them. And that given Mr O's payment was not made on time, they were satisfied that they were correct to report it as such. But they did, as a gesture of goodwill, reach out to the credit reference agencies (CRAs) at this point, and instruct them to remove the missed payment marker for the payment in question.

Mr O however, said the credit marker was not updated until January 2025, and that this not only impacted his credit rating during this period (which he feels may have led to him paying higher interest rates on other loans) but it had a significant impact on his mental health – something he said he already struggles with. So, he brought his complaint to our service.

An investigator considered Mr O's complaint but was satisfied that 118 118 Money were right to report the payment as missed with the CRAs. And he said that while this took a couple of months to be removed, he didn't think that any further action was required on 118 118 Money's part in respect of this. This was because he didn't feel they'd made an error in the first place, and he noted the marker was only being removed as a good will gesture.

Mr O remained unhappy however, so the case has been passed to me, an Ombudsman, to decide.

## 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'd like to say firstly that I appreciate this must have been a difficult time for Mr O, given what he's told us about the impact this matter had on his mental health.

When considering a case of this type, it's useful to point out to begin with, that banks and financial services companies, have an obligation to provide credit reference agencies with

accurate information on how customer's accounts are managed. This is because other lenders may rely on that information when it comes to making credit decisions. This includes information on late and missed payments.

In this case, Mr O's payment was due on 30 September 2024, but the initial payment made was returned. This payment was then brought up to date by way of two payments Mr O made, one for £55.82 on 2 October 2024, and then a further £3.57 on 5 October 2024. Given the date his payment was due, and looking at the dates the two payments were subsequently made, I'm satisfied that the payments were made late.

I should explain that when recording information on a credit file, payments that are not made on time, are reported through status codes – such as 1, 2 etc. Amongst other things, these numbers can reflect payments that were missed. While I accept that Mr O did in fact catch up the September missed payment in early October, this payment was not made by its due date.

The Information Commissioner's Office (ICO) published Technical Guidance for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies.

It sets out, amongst other things, that:

***“2. Should a payment not be made as expected, information to reflect this will be recorded on your credit file***

*If you do not make your regular expected payment by the agreed time and/or for the agreed amount according to your terms and conditions, the account may be reported to the CRAs as being in arrears. If this continues over time, the level of reported arrears will increase, which may result in the lender taking some form of action.”*

I'm satisfied that that this guidance sets out clearly that an account will be reported as being in arrears, both when a payment is missed, and also when a payment is late. So, while I'm sorry Mr O seems to think it was unfair for 118 118 Money to have registered adverse data with the CRAs, based on the ICO's guidance above, I remain satisfied that Mr O was treated fairly, and that the information 118 118 Money reported was accurate.

Furthermore, 118 118 Money, did, as a gesture of goodwill, agree to remove the late payment marker from Mr O's credit file, and they explained within their Final Response Letter (FRL) in November 2024, that they had reached out to the credit reference agencies to remove the missed payment marker. So there is no longer, any adverse information in relation to September's late payment being reported to the CRAs.

I appreciate Mr O is unhappy with how long it took for this data to be removed from his credit file. But ultimately, as I already think 118 118 Money were under no obligation to remove the late payment marker in the first place, I don't hold them responsible for and delays in how long it took for this to happen.

So, while I appreciate this will likely come as a disappointment to Mr O, for the reasons set out above, I won't be upholding his complaint.

### **My final decision**

My final decision is that I do not uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 24 June 2025.

Brad McIlquham  
**Ombudsman**