

## **The complaint**

Mr O complains that Santander Consumer (UK) plc ('Santander') marked a payment as being missed on his credit file, and he would like this correcting.

Mr O also seeks an apology from Santander for the delays he experienced sorting this matter out.

## **What happened**

Mr O had a car finance agreement with Santander and he paid the instalment due on 7 June 2024 late, on 28 June 2024.

Mr O raised a complaint with Santander that this was appearing negatively on his credit file, despite him bringing the payment up to date within 30 days as he'd previously been able to do. Santander didn't uphold Mr O's complaint, and said their reporting was accurate.

Mr O referred his complaint to the Financial Ombudsman Service and cited provisions of the Financial Conduct Authority's Handbook of rules and guidance ('FCA Handbook'). He said Santander hadn't followed the industry's standard practice of waiting 30 days before reporting payment information to the Credit Reference Agencies ('CRAs'). He thought reporting the payment as 'missed' was misleading, given it was 'late.' Mr O was also unhappy with how Santander had handled his complaint.

Our investigator didn't uphold Mr O's complaint. He considered Santander had acted in line with their obligations and responsibilities, and they hadn't treated Mr O unfairly in the circumstances.

Mr O strongly disagreed and asked for an ombudsman to consider his complaint.

## **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've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I've decided not to uphold Mr O's complaint, for broadly the same reasons as our investigator.

Mr O's referred to Principles 6 and 7 of the FCA Handbook and I agree with him that Santander are under an obligation to treat him fairly and communicate with him in a way which is clear, fair and not misleading.

Mr O's also referred me to provisions of the Consumer Credit Sourcebook (CONC) which I've read, although I haven't found them directly relevant to this complaint.

I think the thrust of Mr O's argument is supported by the Information Commissioner's Office (ICO) in its document Principles for Reporting Arrears, Arrangements and Defaults. This says that data reported on a credit file must be fair, accurate, consistent, complete and up to date.

The ICO typically expects firms like Santander to provide monthly updates to the CRAs in relation to the accounts their customers hold. The ICO says that firms should report arrears at the "*earliest reasonable opportunity*."

Santander told this service that when Mr O's direct debit failed they'd try to take the payment again, before reporting to the CRAs. I think that was fair and reasonable. Santander didn't report Mr O's previous late payments to the CRAs in June, September and November 2023, and January, March and April 2024, as these were paid successfully on the second attempt. So, that's why Mr O had previously avoided negative information on his credit file when he'd paid late.

In June 2024 Mr O's direct debit failed on the first and second attempt, which led to a fee being applied (and later refunded as a gesture of goodwill) and the CRAs being updated to say his account was in arrears that month.

I acknowledge Mr O thinks Santander should've given him longer to bring his account up to date before reporting his payment information to the CRAs. I can't see any obligation on Santander to do this – their obligation here was to report monthly. Notably, the ICO doesn't say a firm has to report by a certain point in the month.

Mr O's said he was told multiple times that the issue with the reporting for June 2024 would resolve with Santander's regular reporting to his credit file, but this hasn't been the case.

It may help Mr O to know that CRAs typically record status codes on credit files which reflect an account has not been maintained according to its terms and conditions. The ICO says arrears should generally only increase by one month at a time, for example status code '1' to '2' and so on. If repayments are made and the arrears reduce, the change in arrears status should be recorded in the next monthly update. An up to date account would have a '0' status code.

On that basis Mr O could expect his credit file to be updated for the month of July 2024 to show no arrears in that month. However this doesn't mean the entry for June 2024 should be removed as it's expected that this information will remain on Mr O's credit file for six years.

I can understand why Mr O feels the words 'missed payment' don't accurately describe a situation where a payment is made late. Credit reporting isn't meant to give a detailed view of when payments are made, rather it gives an overview of the months in which the terms and conditions weren't kept to. Ultimately I think the terms 'missed' and 'late' both mean a payment was not paid on its due date in accordance with the terms of the account.

Mr O accepts he paid his June 2024 instalment after the due date, and I think Santander's credit reporting for June 2024 fairly and accurately reflects this.

Mr O can add a notice of correction to his credit file if he wishes to explain the entry for June 2024, and this will be visible to anyone checking his credit file in future. To do this he would need to contact each of the main CRAs.

I'm sorry to hear Mr O has spent a long time on the phone to Santander and has been very worried about his credit file. I know he'd like his credit file amending, and for his distress to be recognised.

I also acknowledge Mr O's unhappiness with how Santander handled his complaint. Unfortunately this isn't something I can help him with, as the Financial Ombudsman Service doesn't have the power to investigate complaints about complaints handling under the rules we follow.

I realise this will be a disappointment to Mr O but I'm not going to ask Santander to take any action here, because I think Santander acted fairly towards Mr O and in line with the ICO's guidance.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 4 June 2025.

Clare Burgess-Cade  
**Ombudsman**