

The complaint

Miss A complains Nationwide Building Society has unfairly recorded missed payments on her credit file.

What happened

In August 2023, Miss A contacted Nationwide as she was unable to repay an overdrawn amount held on her current account. An arrangement was agreed whereby she'd pay £80 each month until the balance was repaid.

Unable to make the minimum monthly repayment previously agreed, Miss A contacted Nationwide again and in July 2024 entered a short-term arrangement to pay. This meant, for six months, Miss A would repay a reduced amount of £10 per month.

Miss A spoke to Nationwide on 23 October 2024, returning a call it had made to her. But says she was told her account was up to date and Nationwide had contacted her in error.

Following this, Miss A received further correspondence from Nationwide, so she contacted it again and was told her short-term agreement had ended and a new arrangement was needed. As Miss A explained she was still unable to make repayments in full, Nationwide gave her breathing space until January 2025.

Miss A then became aware Nationwide had recorded missed payments on her credit file, so she complained.

Nationwide reviewed matters and agreed Miss A had been given incorrect information when she called in October 2024. But explained her arrangement had ended in October 2024 and although she had been given breathing space, this didn't replace an arrangement. As such it considered the overdrawn balance was being correctly recorded on her credit file. To apologise for the misinformation during the call, it offered Miss A £50 compensation.

Unhappy, Miss A brought her complaint to our Service. In summary, she said missed payment markers wouldn't show on her credit file if she'd been given the correct information, so they should be removed.

An Investigator here reviewed matters and concluded that while Nationwide had given Miss A incorrect information, it had acted fairly in reporting the information on her credit file. Saying Nationwide had sent letters explaining the arrangement had come to an end and breathing space wouldn't prevent information being recorded on her credit file. They later explained that in December 2024, Miss A was told reduced monthly repayments could only run for six months, so this couldn't be extended. And it wasn't until February 2025 a new arrangement was put in place – so the information Nationwide reported on her credit file accurately reflected the payment history on the account.

Miss A didn't agree, she said she'd been told there'd been a system error and that her account was up to date. And in any case, breathing space had been agreed and Nationwide didn't say this would show as missed payments on her account. As she'd now entered a new

arrangement, she considered this should have happened in October 2024.

As no agreement has been reached the complaint has been passed to me 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.

Firstly, I want to say that I was sorry to hear of the difficulties Miss A has faced. I can understand this has been a very challenging time for her and I want to reassure Miss A I've taken that into account when coming to my decision.

While I may not comment on everything that's been said, it's not because I didn't see it. This reflects my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer to every question raised unless I think it is relevant to the crux of the complaint.

It's not in dispute Nationwide made an error here. It's accepted Miss A was given incorrect information when she spoke to it on 23 October 2024. During this call Miss A was told a payment plan was in place and she'd been called by mistake. This wasn't correct as by this point, Miss A's short-term arrangement had come to an end, and she needed to speak to Nationwide about setting up a new arrangement. But when a business makes an error, it doesn't necessarily follow that our Service requires it to now do what it said. That's because we don't look to make incorrect information true. Instead, we consider the impact of the error and the position a consumer would've been in had an error not occurred – so this is what I've thought about.

Nationwide has provided this Service copies of the letters sent to Miss A, before and after this call. I'm satisfied these clearly explained the short-term arrangement, to repay £10 each month, ended on 11 October 2024. These also explained Nationwide needed to review Miss A's financial situation to come to a new arrangement, and to do this it needed to speak with her. I note the letter sent on 31 October 2024 specifically said:

"If you don't get in touch with us we'll remove your agreed limit. We'll also limit, or stop you from using your account. We'll tell Credit Reference Agencies [CRA's] if this happens. It might affect your credit rating and might make it difficult for you to obtain credit in the future."

As such, while Nationwide's agent gave Miss A incorrect information on the call, correct information was provided shortly after, and before missed payments reflected on Miss A's credit file.

I've considered that Miss A says she was told by Nationwide she would stop receiving calls and letters. I've listened to the call and the agent said: *"You won't be called again, unless there is a problem"*. I've not seen anything to suggest Miss A was given the impression that she should have subsequently ignored future letters or calls.

So, based on the above, I'm satisfied Miss A was informed in writing that her arrangement was ending, and she needed to call Nationwide to discuss payment of the outstanding balance to avoid negative impact to her credit file.

It may be helpful to explain that even if Miss A had not received the letter, my decision would remain the same. I say this because lenders, such as Nationwide, are required to report correct information to CRA's.

It's accepted that from at least August 2023 Miss A didn't make the minimum monthly payments due to her account and in July 2024 this was further reduced. So even though she had agreed with Nationwide she would pay a reduced monthly amount, this agreement ended in October 2024. As the terms of the account hadn't changed, I think it's reasonable to say her payments had been missed and she was in 'arrears'. Information which Nationwide are required to provide to CRA's, as such I can't say it's acted unfairly in doing so.

I'm aware Miss A has provided a screenshot that suggests her credit file is showing missed payments in November and December 2024 as well as January 2025. This doesn't show what account it relates to, but given the arrangement ended in October 2024, and a new one wasn't put in place until February 2025, it means Miss A didn't make the required payments during this time, so I can't agree Nationwide would be acting unfairly to report the account in this way. It's also worth noting that a lender can still report missed payments when there is an arrangement to pay in place, as the terms of the agreement aren't being met in these circumstances. So, I wouldn't have found it to be unreasonable if missed payments had been reported for the entirety of period a payment arrangement was in place.

I understand Miss A says she wasn't told the payments would be recorded as missed. But having thought about this, I think it made clear the arrangement was only for six months initially and once it had finished, it wrote to her, several times – outlining the need to contact it along with its requirement to report information to CRA's. I can see it also made several attempts to call her, but on most occasions Miss A either didn't answer or said it wasn't a convenient time to speak.

On this point, Miss A says she did call Nationwide after the agreement had ended, but it didn't arrange for a new agreement to be put in place, which she says would have prevented the missed payment markers being added to her credit file. I've thought about this and having listened to the calls I can't agree Miss A attempted to set up an arrangement before payments were missed – as required.

I say this because the calls were in November and December 2024, sometime after the short-term agreement had ended, and each after the payment had been missed. In the first Nationwide confirmed the agreement had ended, but as this contradicted the information she'd previously been given, Miss A said she wanted this looked into before moving forward. In the second Miss A explained she was not in a position to pay more than £10 each month – so Nationwide agreed breathing space to give her the opportunity to speak to third-party organisations for help in repaying her debts. This seems reasonable. Breathing space means it would stop contact for a short period, but it doesn't mean information wouldn't or shouldn't be reported on her credit file.

Ultimately, while Miss A wasn't specifically told during these calls Nationwide was able to report missed payments on her credit file, I don't think it's acted unfairly. I say that because it had made her aware the agreement had ended and this information would be reported to CRA's. And given everything Miss A has said, even had it told her missed payments would be reported during these calls, I think it's more likely than not the outcome here would have been the same, as she's confirmed she was unable to make increased repayments in any case.

For completeness I'm aware Miss A considers the amount and times of the calls from Nationwide was unreasonable, but I don't agree. It needed to get in touch with her to resolve matters, and as it hadn't been able to do so, it was reasonable for it to attempt contact during this time.

Taking everything into account, I do think Nationwide made an error by giving incorrect

information to Miss A during one call. However I can see it's paid her £50 to apologise for this. Given this was a short-term impact, that could have been rectified quickly, after she was sent a further letter on 31 October 2024, I think it did enough here to try to correct the error it made. Miss A didn't make the necessary payments following the end of her short-term arrangement, so Nationwide was required to report this information on her credit file. So overall I think Nationwide has acted fairly and I won't be asking it to do anything further here.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 4 August 2025.

Victoria Cheyne
Ombudsman