

The complaint

Mr O complains that Nationwide Building Society recorded adverse information on his credit file incorrectly.

What happened

Mr O held a current account with an arranged overdraft of £500. On 14 May 2024, Nationwide wrote to him to say it would debit £250 from his account within the next seven days – the debit went ahead on 21 May 2024, which caused Mr O's account to exceed its agreed overdraft limit. The account remained over the agreed overdraft limit until 19 June 2024. Nationwide later applied a 'status 1' ("late payment") marker to Mr O's credit file, which he queried.

Nationwide told Mr O the late payment marker shouldn't have been applied, and it would arrange for it to be removed within 6-8 weeks. To apologise, Nationwide said it would pay Mr O £150 compensation. However, when the late payment marker wasn't removed, Mr O complained to Nationwide again.

This time, Nationwide said it had made a mistake telling Mr O the late payment marker would be removed. Instead, it should have explained that a late payment marker and an arrears marker are presented as the same on a credit file. As Mr O had used an unarranged overdraft, it had applied the late payment marker correctly. To apologise for giving him incorrect information, Nationwide said it would pay Mr O an additional £50 compensation.

Unhappy with Nationwide's response, Mr O referred his complaint to our service. One of our Investigators reviewed Mr O's complain and didn't recommend it be upheld. The Investigator said Mr O's account was over the agreed limit for 30 days and so Nationwide was correct to report the account as "status 1" on his credit file, as this reflected the account being over the agreed limit. The Investigator thought the £200 compensation Nationwide had paid Mr O was appropriate in the circumstances.

Mr O didn't accept our Investigator's opinion, saying he was unhappy with Nationwide's response to his complaint and poor service. Mr O added he was only over the agreed overdraft limit for 28 full days. 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.

Mr O's account exceeded its agreed overdraft limit for 30 days. Whilst his account exceeded the agreed limit part-way through day one, and was brought back under the limit on day 30, it remains that on 30 consecutive days, his account exceeded the agreed overdraft limit. In the circumstances, with the account over the agreed overdraft limit for over four weeks, I think the information Nationwide recorded on Mr O's credit file was correct. And the terms and conditions of Mr O's account set out information about his account may be recorded with the credit reference agencies – the terms do not need to set out every scenario that may or

may not be reported. As the information reported was correct, there is no obligation on Nationwide to remove it – Mr O's credit file must be a true and accurate reflection of the position of his account.

It's clear Nationwide should have explained the above to Mr O at the earliest opportunity, and they've admitted their error. In total, they've paid £200 compensation. I note Mr O has said Nationwide initially paid him £150, so it should have paid him more than an additional £50 when it paid him £150 when it first made an error. My role here is to look at whether, overall, I think Nationwide has done enough to put things right rather than to decide if the compensation paid for any individual error was right or not.

Nationwide, as the experts, should have told Mr O sooner that his credit file would show adverse credit information. The mistake it made was to give Mr O false hope the information would not be recorded, and this understandably caused some upset. If Nationwide hadn't offered Mr O any compensation for its errors, I would have recommended £200 compensation, which I think reasonably reflects the upset caused by being given incorrect information. As Nationwide has already paid Mr O £200 compensation, I don't think it needs to pay him anything further for this issue.

My final decision

I realise my decision will disappoint Mr O, but I have not upheld his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 July 2025.

Victoria Blackwood
Ombudsman