

The complaint

Miss O complains Hampshire Credit Union Limited trading as Wessex Community Bank (WCB) treated her unfairly by reporting to credit reference agencies (CRAs) she's in an arrangement to pay, despite her repayment plan coming to an end.

What happened

In early 2022, Miss O took out a loan with WCB. She unfortunately lost her job in August 2022, which caused her to struggle to meet her contractual repayments. And after discussing the available options to help Miss O make repayments, a payment holiday was agreed in January 2023 and a repayment plan was agreed in May 2023. It was later agreed Miss O would return to her normal contractual repayments in September 2023 after she notified WCB she had a new job.

In mid-2024, Miss O's application for a top-up loan with WCB was declined. And after reviewing her credit file she saw an "arrangement" was being reported to CRAs despite her making the contractual payments since September 2023. So, she raised a complaint with WCB.

WCB investigated Miss O's concerns but didn't uphold her complaints. They explained an arrangement was being reported because her account was still in arrears. WCB explained they were satisfied they'd clearly explained when Miss C was in a repayment plan and that there were still arrears on the account. Because of that, they considered they were reporting accurate information. Miss O remained unhappy, so she brought her complaint to our service.

Our Investigator looked into what happened, but didn't think WCB had treated Miss O unfairly. He explained he thought Miss O was aware there were arrears on her account – and that because she hadn't brought her account up to date, he didn't think WCB were reporting inaccurate information.

Miss O disagreed with our Investigator, so her complaint was passed to me for a final 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.

Having considered everything, I'm not upholding Miss O's complaint about WCB. I'll explain my reasoning below.

I want to start by assuring Miss O I've reviewed all the information she's provided and the points she's made. However, as we're an informal service, I'm not obligated to comment on every point she's raised – nor must I set out my decision in the same format. Rather, my role is to understand the crux of her complaint about WCB and set out how I think it should be resolved, and why.

Miss O has helpfully provided us with a copy of her credit file, and I've seen WCB have been reporting an arrangement to pay to CRAs since May 2023. This coincides with the start of her repayment plan – which both parties agree happened at that time.

The contractual repayments on Miss O's loan are £263, but while the repayment plan was in place, it was agreed her repayments would reduce to £131.50. So, there would have been a shortfall while the arrangement was in place. In turn, this means Miss O's account was always going to be in arrears when the repayment plan came to an end. And in those situations, I would expect a lender, like WCB, to accurately report the same to CRAs.

WCB's final response letter to Miss O explained that they report an "arrangement" when a customer's account is in arrears, but they're in talks with them. Given Miss O's account is in arrears, and she was keeping WCB updated, I consider the information being reported accurately reflects the management of Miss O's account at that time.

Miss O has said she didn't know her account would be in arrears after the repayment plan, and had she known, she would have taken steps to clear them. However, the evidence I've been provided doesn't support this. I say this because of what I've read in both WCB's system notes, and the copies of emails Miss O sent us herself.

The evidence shows that in mid-July 2023, WCB discussed reworking Miss O's loan to include the arrears if she could return to her contractual payments and maintain them – but that wasn't something she could afford at the time. And I've seen in late-July 2023 (in both WCB's system notes and the emails Miss O provided) Miss O confirmed she would return to her contractual repayments from September 2023 and said, *"What I will then do is pay extra around December and onwards from there."* Therefore, I'm persuaded that before the repayment plan ended, Miss O knew there would be arrears on the account that needed to be repaid.

While I'm satisfied Miss O knew there would be arrears on her account, I can't see that it was explicitly explained how this would be reported on her credit file – nor can I see this was something she asked. But I don't think Miss O not being aware of how things would be reported really changes anything here. Firstly, because the evidence shows she did know there would be arrears on her account and of the options available to repay them. So, if she had the funds to do so, I would have expected a reasonable customer to have cleared them (given the conversations that took place). Secondly, as those arrears haven't been cleared, WCB is correctly reporting that Miss O's account isn't up to date. And it wouldn't be fair or reasonable for me to ask them to report otherwise.

I want to acknowledge the concerns Miss O raised about the validity and accuracy of the system notes provided by WCB. Our service trusts the information provided by consumers and businesses to be accurate. And given WCB's system notes reflect the same emails Miss O provided herself, I'm satisfied they're an accurate reflection of what happened at the time.

Given the above, I don't consider WCB treated Miss O unfairly, so I won't be asking them to amend the information being reported to CRAs. As such, I'm not upholding her complaint.

My final decision

My final decision is that I'm not upholding Miss O's complaint about Hampshire Credit Union Limited trading as Wessex Community Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept

or reject my decision before 6 August 2025.

Sarrah Turay
Ombudsman