

## The complaint

Miss O complains that National Westminster Bank PLC reported her to a credit reference agency for having missed a payment when an agreed payment plan had not commenced. And that her credit file shows her still in arrears, and also showing as an arrangement.

## What happened

Miss O had an overdraft with NatWest of around £4,000 and she called to say she was struggling financially. A payment plan was arranged and NatWest said it would report this to the credit reference agency (CRA). The plan showed the first payment in January 2025, but Miss O told NatWest that her credit file shows a missed payment.

NatWest told Miss O this is how the arrangement is reported. NatWest said it provides all CRAs with the same information, but they may report this differently and she would need to speak to the CRA. Miss O wasn't satisfied with this and complained to NatWest.

NatWest said Miss O's credit report showed '*Payment 1 month in arrears*' and said the CRA confirmed this doesn't mean she had missed any payment, just that she has an excess on her overdraft for November 2024. NatWest explained it would only report to the CRA if Miss O's account enters the Collections Department and so it made no report in October 2024.

NatWest explained that when Miss O's credit file reports for January 2025, at the end of February, it would show her payment arrangement. NatWest said it had followed the right process and given the right advice, and no mistake had been made. NatWest said if Miss O needed any financial support, it could provide assistance and signposted her to help.

Subsequently, NatWest said Miss O had been given conflicting information on her calls and paid £75 compensation although it had no recording of her first call. It said on her call in January, it informed her that her credit file would show the payment arrangement as she is over her overdraft limit.

Miss O wasn't happy with this response and referred her complaint to our service.

NatWest corrected its earlier comment that a missed payment was shown because the account was in excess in January 2025, and it would then report the payment plan from February 2025. It said Miss O's account was in excess of the overdraft facility. A repayment plan beginning 31 January 2025 and ending 31 May 2026 was agreed, but the first payment wasn't made until 3 February and so was shown as missed — albeit paid a few days later. Our investigator didn't recommend that the complaint be upheld. He said The Information Commissioner's Office sets guidance for recording of information to CRAs and confirms a business can record arrears as well as an arrangement to pay marker. He said despite Miss O showing her credit file with an arrangement and missed payment for the same month, NatWest has shown that since February 2025 it only reported the payment arrangement.

The investigator said the reason NatWest reported January's payment as missed was because the first payment due by 31 January 2025 was made on 3 February and so was accurately classed as a missed payment.

Miss O wasn't happy with this and requested an ombudsman review her complaint. She didn't accept the explanation for the missed payment marker as she said this was on her credit file before the payment was due in January. And said this is why NatWest had said in January she hadn't missed any payments. Miss O said the CRA has told her that NatWest had reported April and May as late payments as highlighted in red on her credit report.

### **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 was sorry to learn that Miss O feels that inaccurate missed payment markers have been added to her credit file, and that her payments haven't been reflected on her credit file. Our investigator invited Miss O to update us with her credit file to show this, but she hasn't doesn't so.

Miss O said her credit file received an adverse marker before the late payment for January 2025. I have seen the heading to Miss O's credit file to which she refers but I don't think this is a marker concerning a payment that wasn't due until three weeks later.

Miss O felt that NatWest's information about her credit file, on a call on 22 January 2025, conflicted with information from NatWest on her earlier call. She is unhappy that she wasn't advised that the repayment arrangement would report as missed payments, as well as a payment arrangement.

NatWest's records show that Miss O contacted NatWest's Collections Department in early January 2025 to discuss repayment options regarding outstanding arrears. The terms and conditions of the account state NatWest will give details to external CRAs about any relevant account activity, including repayment arrangements. A payment arrangement would be reported to a credit file when a time to pay agreement has been reached.

I can see that NatWest informed Miss O that the bank would report the payment arrangement to her credit file. At the time, Miss O's account balance was over the agreed limit of £2,000. In common with all banks, NatWest reports key account information, including any non-payment to the CRAs as part of an automated process.

Miss O said the payment plan email doesn't state that it will also be reported as missed payments. In normal circumstances a payment arrangement would not also be marked as a late payment. However, Miss O's first payment under the plan was not received on time. I sympathise with Miss O as the payment was due by 31 January and was received on 3 February 2025. But as this was the following month from when it was due, it has been correctly recorded as a missed payment on the credit file.

Unfortunately, this was not properly explained by NatWest in its final response to Miss O's complaint, but I'm pleased it has apologised and given a full explanation since. The delayed explanation does not of itself cause any detriment to Miss O, but I think NatWest's payment of £75 compensation is a fair acknowledgement of this poor information.

NatWest is required to provide correct and relevant information to the CRAs so that future decisions about its customers and their credit-worthiness can be credit-scored accurately and responsibly. Because Miss O missed January's payment, NatWest sent the relevant information to the CRAs. As this was an accurate reflection of the payment history, I can't fairly ask NatWest to remove the missed payment marker.

If an arrangement to pay is in place NatWest must notify the CRAs, and if payments are missed, they are also notified. NatWest has met its regulatory obligation to report the arrangement to the CRA, in line with terms and conditions. It follows that I am unable to uphold this complaint and ask NatWest to amend Miss O's credit file. I know this is not the outcome Miss O was hoping for, but I hope she can see the reasons for this decision.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 8 October 2025.

Andrew Fraser  
**Ombudsman**