

## **The complaint**

Mr E complains that Shawbrook Bank Limited incorrectly reported late payments to the credit reference agencies.

## **What happened**

Mr E says that at the time of the late payment marker his loan account was up to date and the payment had been made on time. He says Shawbrook did not notify him about the risk of an adverse marker prior to the reporting of the late payment. Mr E says Shawbrook cancelled his direct debit without notice in October 2024, and he'd subsequently been making his payments manually, despite calling several times to set up a new direct debit. He adds that none of the previous payments had been marked as late but that two agencies showed a December late payment, and one showed January's as late. He says this is inconsistent and in breach of the Financial Conduct Authority's (FCA's) regulations. Mr E says his credit rating has been damaged, and he's suffered emotional distress and undue stress due to the administrative burden.

Shawbrook says that it received notification on 4 September 2024 that a direct debit had failed to go through. It says that although payments were received between September and December 2024, they were all significantly later than the contractual monthly payment date of the 1<sup>st</sup>. As such, Shawbrook says, it sent letters to Mr E about the accruing arrears in September 2024, October 2024, December 2024 and January 2025.

On 23 December 2024, Shawbrook says it spoke to Mr E and agreed to set up a direct debit from 1 February 2025. It says that, as it was too short notice to set it up for 1 January 2025, it was agreed that that Mr E would call back on 2 January 2025 to make that payment. Shawbrook says that it was explained to Mr E that non-receipt of the payment may impact his credit file. Mr E called to make the payment on 14 January 2025 and Shawbrook says he was told again that it may affect his credit file, but the payment had brought the account up to date.

Shawbrook says that it therefore could not uphold Mr E's complaint about the late marker for January 2025, but that February's update to the credit reference agencies would reflect that the account was now up to date.

Our investigator did not recommend the complaint should be upheld. He did not find that Shawbrook had made any errors and so was unable to ask it to amend Mr E's credit record.

Mr E responded to say, in summary, that he doesn't feel his complaint has been addressed as he has not been treated in line with the core values of the FCA and the agencies show missed payments spanning two months.

## 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.

With regard to the cancellation of the direct debit, I've seen evidence to show that Shawbrook attempted to take a direct debit on 1 September 2024, but that it was rejected by Mr E's bank. Mr E has said that he had sufficient funds in his account at the time, but he has not been able to produce evidence of this for September. Nevertheless, I can see that Mr E made subsequent payments by credit card, so I'm satisfied he knew that payments were not being taken by direct debit.

That said, Mr E's contractual payments were due on the 1<sup>st</sup> of each month and the payments from his credit card were received on 22 September, 31 October, 27 November and 23 December. I've seen the letters that Shawbrook sent to Mr E each time a payment was late and they each say either the arrears *"will be reflected on your credit file"* or *"could affect your credit rating"*.

I have also listened to the calls on 23 December 2024 and 14 January 2025 and I'm satisfied that both times Mr E was informed that late payments may affect his credit file. So I can't agree with Mr E when he says he was not given fair notice about notifying the credit reference agencies.

Given I have seen evidence that each of the payments was received after the contractual date of 1<sup>st</sup> of each month, I can't agree that Shawbrook acted unfairly by recording a late payment marker on Mr E's credit file, especially given that more than one payment was late.

With regard to Mr E saying he tried to set up a direct debit prior to the call in December 2024, I have looked at Shawbrook's contact notes and there is no evidence that Mr E attempted to do that any earlier in 2024.

I accept that not all three credit reference agencies are showing the adverse marker on the same month but that is due to the slightly different reporting cycles of each. I'm satisfied that each agency is showing only one late payment and the month in which it is shown also reflects the same loan balance.

I also note that Mr E says he was made redundant in November 2024. Although Shawbrook asked him to declare his income in both the calls I listened to, Mr E was reluctant to do so and insisted the repayments were affordable for him. If that is now not the case, then I would encourage Mr E to contact Shawbrook to discuss any financial difficulties he may now be experiencing.

Finally, this service is not the regulator and can only look at the merits of an individual customer's complaint. The FCA is the regulator and is responsible for the conduct of its member firms.

In summary, I do not find that Shawbrook has made any errors, and it is not required to amend Mr E's credit file.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 3 September 2025.

Amanda Williams  
**Ombudsman**