

The complaint

Mr G is unhappy Clydesdale Financial Services Limited, trading as Barclays Partner Finance (BPF) reported a default to his credit file without giving him any notice that payments towards his loan had been missed.

What happened

I issued my provisional decision to both parties explaining why I thought Mr G's complaint should not be upheld and invited both parties to provide any further evidence and / or submissions in reply.

The background to this complaint was set out in my provisional decision together with my provisional findings which are both copied below and now form part of this final decision.

Background

In September 2022 Mr G took out a loan for £1,349.00 which he agreed repay with 24 monthly instalments of £64.75.

Mr G set up a direct debit to take the monthly payments, but from early on in the loan term numerous direct debit payments were returned unpaid requiring Mr G to make manual payments to the account. In July 2023 Mr G stopped paying by direct debit, until one last direct debit payment in September 2024.

BPF first issued a Notice of Default on 9 September 2023, but as Mr G made a payment to the account on 19 September 2023, no further action was taken. But Mr G then didn't make payments in November 2023 or December 2023 and fell behind again.

Another Notice of Default was therefore issued to Mr G on 9 December 2023 explaining that to remedy the breach Mr G needed to make payment to clear the arrears of £188.50 by 11 January 2024.

On 9 January 2024, as the next payment due had also not been made, the arrears increased to £253.25. BPF wrote to Mr G confirming this and that his account was being passed to a debt collection agency.

On 10 January 2024 BPF recorded the account internally as defaulted and on 11 January 2024 reported the account as defaulted to the Credit Reference Agencies (CRA).

Mr G notified BPF of a change in his mobile number on 1 February 2024 and the amount of the arrears were confirmed to him.

On 29 February 2024 Mr G paid £318 to the account clearing the arrears. Over the following months Mr G made odd payments to the account, finally clearing the balance owed on 17 September 2024. The account was reported as satisfied on 6 October 2024.

Mr G says he did not know he had missed any payments until he was contacted by a debt

collector at which point he repaid the outstanding balance.

Our Investigator considered the complaint with limited information from both parties, and concluded on balance that Mr G's complaint should be upheld and that BPF should remove the default from Mr G's credit file.

Mr G made no further submissions for the Investigator to consider and BPF did not respond to the Investigator's findings so the matter was passed to me.

As part of my considerations I approached Mr G for further information and also approached BPF for their submissions and evidence in relation to this matter. Both parties responded to my enquiries and I shall refer to relevant submissions and evidence where appropriate below.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having reviewed Mr G's case, in light of the recent evidence and submissions from both parties, I am minded to say Mr G's complaint should not be upheld for the reasons I've explained below.

I've first considered whether BPF, in the circumstances, were entitled to report the default to the CRAs when they did.

The Information Commissioner's Office (ICO) provides guidance to the industry for the reporting of arrears, arrangements and defaults. The ICO's principles explain as a general guide a default may be recorded to show the relationship has broken down between the creditor (in this case BPF) and the debtor (in this case Mr G) when the debtor is three months in arrears, and normally by the time the debtor is six months in arrears.

At the time BPF reported Mr G's account as defaulted to the CRAs Mr G was three months in arrears. So this was something BPF were entitled to do.

I'm also mindful of BPF's responsibility to treat their customer fairly, so I've considered whether – in the circumstances of this case – it was fair for BPF to report the account as defaulted to the CRAs when they did.

I realise this will come as a disappointment to Mr G, but having considered everything available to me I think BPF's step to report the account as defaulted was reasonable in the circumstances.

Since the start of the loan agreement Mr G was regularly contacted by BPF – mainly it seems by letter – in relation to direct debits being returned unpaid; being notified of arrears either through general letters or more formal letters known as a Notice of Sums in Arrears (NOSIA) and with Notices of Default. The various letters contained details of how to contact BPF for support and provided details of other organisations that could possibly be able to help Mr G if he was struggling.

In May 2023 it is noted Mr G spoke with BPF and explained he had lost his job and was seeking work, so he was in receipt of benefits and relying on family for financial support. At this time BPF records Mr G was told about help that was available to him, and payment plans and defaults were explained to him.

Mr G submits he did not know he had missed any payments until he was contacted by the debt collector and that he did not receive any communications from BPF about the payments

he had missed before the account was defaulted. Mr G has told this service he was unaware payments were not being made because he was out of the country and he did not have access to his banking app on his phone while he was abroad. Mr G says he only used his tablet device for banking which he would leave at home.

I recognise Mr G's circumstances were not easy, but it is difficult for me to say BPF have treated Mr G unfairly here. The letters issued to Mr G were all addressed correctly; Mr G was made aware of the support available when he contacted BPF and through the correspondence he was sent prior to the default being reported, and it's fair to say Mr G was aware of the loan and that he was required to make payments to the loan when they fell due.

On balance, I think Mr G was more likely than not made aware of the arrears on his account.

Taking everything into account I think BPF were entitled to report the account as defaulted when they did and, in the circumstances, it was reasonable of them to do so.

Responses to my provisional decision

BPF replied to my provisional decision to confirm they had nothing further to add.

Mr G did not respond to my provisional 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.

As the deadline set out in my provisional decision has now passed and because neither party has provided me with any further evidence or submissions to consider I see no reason to depart from the conclusions reached in my provisional decision.

That is, for the reasons explained above, I think BPF were entitled to report the default to the CRAs when they did and there is nothing in the circumstances of this matter to persuade me that it was unreasonable or unfair of BPF to do so.

My final decision

For the reasons above, my final decision is that I do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 July 2025.

Kristina Mathews
Ombudsman