

The complaint

Mr W complains that Bank of Scotland plc trading as Halifax has reported missed payments to his credit file in relation to an overdraft facility he had with it.

What happened

In March 2024, Mr W completed an account switch – he moved his banking arrangements away from Halifax to another bank. At the time of the switch, Mr W was using his arranged overdraft facility.

Once the switch took place, the arranged overdraft facility with Halifax was removed, and so Mr W's account went into an unarranged overdraft position. Halifax says it sent Mr W a letter to let him know what would happen to the overdraft balance when the switch happened. And it said Mr W was aware of the outstanding balance because he contacted Halifax just before the switch to set up a repayment plan, but he couldn't go through an income and expenditure assessment at this time so a 30 day hold was placed on the account.

Mr W appears to have had a few phone calls with Halifax after this, whereby no plan to repay the outstanding balance was agreed. A plan was then agreed during a phone call on 13 June 2024, whereby Mr W agreed to reduce the balance by £230 a month. Halifax say the plan was broken on 28 June 2024 when Mr W made a payment of less than the agreed amount - £225. Halifax said it wrote to Mr W on 1 July 2024, to say the plan had been broken and that this would impact his credit file. A plan was reset on 9 July 2024, for £235 per month.

Halifax provided Mr W with a final response letter, and it didn't uphold his complaint. It said it was reporting correctly to the credit reference agencies ("CRA's") and explained why.

An Investigator considered what both parties had said, but they didn't uphold Mr W's complaint. Overall, they felt that Halifax were reporting correctly on Mr W's credit file, in relation to how Mr W had managed the account.

Mr W didn't agree. He said he could provide evidence to show the information being reported was incorrect, but to date, he hasn't provided this. He's also said that the account was closed, and so he couldn't access it from the date of the switch. In addition to this, he says Halifax didn't send him a letter saying the balance was owed, only that there was an outstanding balance. He also said that he was told on a call on 19 March 2024 to let the 30 day hold run out instead of discussing repayment of the overdraft earlier.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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 all of the available evidence, I've decided not to uphold Mr W's complaint.

When the switch took place, the arranged overdraft on Mr W's account was removed, and left his account in an unarranged overdraft position. This is normal process and there isn't anything unfair or unreasonable about this. Halifax has provided this Service with a copy of a template of a letter it says it would have sent Mr W – this explained to Mr W that he would have 30 days to make repayment of the balance, or he would need to contact Halifax to set up a repayment plan. It explained that it might report information to the CRA's if it didn't receive a payment. I'm satisfied that the template of the letter was the same or at least very similar to the letter sent to Mr W, as it is a standard letter that is sent to all customers where they have an outstanding balance following a switch. I can see from a copy of Halifax's internal audit trail that a letter was sent on 14 March 2024 about the balance, and so I'm satisfied that Mr W was aware he needed to repay the debt, and that information might be reported to the CRA if he didn't.

I note that a 30 day hold was placed on the account at the start of March 2024, whereby Mr W didn't need to make a payment during this time. I have listened to the call Mr W had with the agent on 19 March 2024, the agent explained that he didn't have to set up a repayment plan at that time, and he could wait until the hold had expired on 31 March 2024 to set this up. Mr W repeated the date, so I'm satisfied he was aware that the hold on his account would end on 31 March 2024, and that he would need to set up a repayment plan at this point. The advisor also offered to set up an arrangement to pay during the call. The call ended with the advisor providing Mr W with the option to set up a repayment plan, or maximise the hold. Mr W said he wanted to maximise the hold and the call ended. I can't agree that Mr W was told to wait until the end of the hold – he was provided with the option to either wait, or set the repayment plan, and he decided to wait.

Halifax say Mr W didn't contact it about repayment until May 2024, following which another hold was placed on the account. At this point, Mr W hadn't made any repayments towards the debt; and, between 31 March 2024 and May 2024, there were no holds on the account, or repayment plans in place, so Halifax reported the account as in arrears for this month. I'm satisfied this is a true and accurate reflection of how Mr W had managed his account during this time.

After this, Mr W set up a repayment plan in June 2024, I can see from the information Halifax has provided this Service that it reported the account as in an 'arrangement to pay' with the CRA's, this is what I would have expected it to have done in the circumstances. I don't know what Mr W can see on his credit file, but it is possible that arrears were still reported after he set up the repayment plan, and this wouldn't be inaccurate. I say this because Mr W's balance was in an unarranged overdraft position, and while it was in this position, it would normally be reported to the CRA's as arrears. But like I said, I can also see that Halifax reported the account as in an arrangement, which would show that Mr W had agreed to repay the debt in instalments. Based on what I've seen, reporting in this way would be an accurate reflection of how the account was managed.

I understand that Mr W has said that he can provide evidence to show that what Halifax is reporting isn't correct. But he hasn't said what it is that isn't right or provided any evidence to support his comments despite opportunities to do so. Halifax has shown me a copy of what it is reporting to the CRA's, and based on the management of the account, this appears to be a reasonable reflection of what had happened on the account.

My final decision

For the reasons I've set out, I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 October 2025.

Sophie Wilkinson
Ombudsman