DRN-5672763

The complaint

Mr S complains NCO Europe Limited have incorrectly reported missed payments to his credit file for his debt management plan (DMP).

What happened

Mr S says he's had his DMP for many years, and it's only since NCO took over his account from March / April 2023 that the problems started with how they were reporting his payments. Mr S has reported issues in 2023 and again in 2024.

A number of other companies are involved in Mr S' account – including the debt purchaser, and the debt servicer. I'll refer to the debt servicer as 'C'. There is also the party responsible for managing Mr S' DMP – who I'll refer to as M.

NCO said in 2023 the reason for the missed payments was because M were sending Mr S' payments later than the due date. Despite this, NCO said they'd speak to C to remove the missed payments as they had been received. NCO explained the issue in 2024 was because Mr S' minimum payments are £12.47, and they were receiving lower payments than that. And there was a payment of £50 on 10 August 2024, but this still left arrears of £2.36. Overall, NCO didn't think they'd done anything wrong.

Unhappy with this, Mr S asked us to look into things.

One of our Investigators did so – and she found NCO should have done more to ensure the missed payments from 2023 were removed, and didn't think anything should have been recorded for 2024. So, she upheld the complaint and awarded £150.

Mr S accepted this, but NCO didn't. They said C had confirmed they'd remove the late payment markers for 2023 and provided evidence of this. And for the 2024 payments they said they had correctly reported things. So, the complaint's been passed to me to decide.

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.

2023 missed payment issues

NCO have accepted they made an error in telling C to report missed payments on Mr S' credit file. So, I can see why our Investigator felt NCO should have done more.

And I understand NCO's perspective, in that C told them they'd remove the entries, so what more could NCO do.

But, Mr S was left with the missed payments reporting on his credit file. The root cause of this was due to NCO's errors in mistakenly telling C to report missed payments. As such, I'm satisfied it's appropriate to uphold this element of Mr S' complaint.

2024 missed payment issues

Our Investigator felt because Mr S had made overpayments it wasn't fair to report him being in arrears with his repayments.

NCO say that's not how it works, with payments not being received in some months so they had to report it as a missed payment.

The records NCO have provided show being successfully made every month – and shows three rounds of overpayments in February and March 2024 combined. So, I'm not sure I agree as a starting point Mr S was making late payments. But, even if it was – because he wasn't meeting the due date – there isn't anything in the records to suggest NCO took action to resolve this problem.

As such, given the overpayments Mr S had made, along with the lack of action by NCO, I'm satisfied it's appropriate to uphold this element of Mr S' complaint as well.

Summary

I think Mr S has experienced some frustration over a period of time where he was passed from different entities in an effort to try and get this sorted. And he's had to raise the same issue on several occasions before his credit file is sorted. Overall, I'm satisfied £150 compensation for this complaint is a fair outcome.

My final decision

I uphold this complaint and require NCO Europe Limited to pay Mr S £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 September 2025.

Jon Pearce
Ombudsman