

The complaint

Mr H is unhappy with how NewDay Ltd ('NewDay') reported information about his Aqua credit card and Bip credit accounts to the Credit Reference Agencies ('CRAs') following his Debt Relief Order.

Mr H wants his credit file amending and compensation for his distress and inconvenience.

What happened

NewDay sent Mr H default notices and termination notices for his Aqua and Bip accounts in 2022.

On 17 August 2023 Mr H entered a Debt Relief Order ('DRO') and NewDay reported both of Mr H's accounts to the CRAs as defaulted, with a default date of 17 August 2023.

In October 2024 Mr H complained that NewDay hadn't marked his accounts as closed and his defaults as satisfied following the end of his DRO on 17 August 2024. NewDay upheld Mr H's complaint, updated his credit file to show his defaults were satisfied on 17 August 2024 and offered £60 compensation for Mr H's distress and inconvenience.

Mr H referred his complaint to the Financial Ombudsman Service but our investigator thought NewDay had already provided a fair resolution to Mr H's complaint. So, he didn't ask NewDay to take further action.

Mr H said NewDay should pay him £500 for his distress and inconvenience because they'd wilfully avoided correcting the issue and made it difficult for him to contact them. He thought NewDay hadn't discharged their obligations under the Consumer Duty.

The matter came to me to decide and I recently issued a provisional decision, saying:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards (to include the Consumer Duty), codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I've come to a provisional view that NewDay haven't reported Mr H's defaults fairly and that a further amendment should be made to Mr H's credit file. I also intend to say NewDay should pay £150 to Mr H for his distress and inconvenience. I'll explain why.

The Information Commissioner's Office gives guidance in its document 'Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies' ('PRAAD') and sets out recognised industry practice for the reporting of defaults.

PRAAD states:

“4. Relationship of defaults to CCJs, decrees, bankruptcies, IVAs and similar arrangements

...In normal circumstances lenders will be notified when the debt that is owed to them is to be included in an insolvency e.g. bankruptcy, IVA or similar and should be marked as included in that by filing a default as soon as is practical.

The default date must be consistent with that of the CCJ/bankruptcy or IVA; therefore a default should be filed as being no later than the date of the insolvency order...

If a default has already been filed and a CCJ or other insolvency or similar is subsequently registered, no further action is needed.

5. When an account is closed, the record should properly reflect the closing payment status of the account and any agreement between the parties

...Your record should be closed and marked as partially settled if:

- Your account is included in an insolvency such as a bankruptcy or IVA which is discharged / completed and less than the full amount is paid.”*

NewDay provided me with copies of the default notices they sent in relation to Mr H's accounts and I'm satisfied that Mr H didn't comply with these because he was later sent termination notices. I'm therefore inclined to say I'd expect NewDay to have reported Mr H's defaults to his credit file with a start date of 6 May 2022 for the Bip credit account and 14 July 2022 for the Aqua credit card account.

NewDay are currently reporting Mr H's default dates as the date he entered his DRO. I'm minded to say this goes against the ICO's guidance in these circumstances, and is unfair to Mr H because the defaults ought reasonably to have an earlier start date and drop off Mr H's credit file sooner than they currently will. So, I intend to say Mr H's default dates should be backdated to 2022, as I've set out above.

The ICO doesn't require NewDay to update Mr H's credit file to show the defaults are settled unless they are aware the DRO is complete. I'm not minded to say NewDay were under an obligation to do this earlier than October 2024, when Mr H notified them that his DRO had ended. I wouldn't expect NewDay to assume that Mr H's DRO ended after 12 months, as some DROs are extended.

NewDay marked both of Mr H's accounts as satisfied as of 17 August 2024 which aligns with the end of his DRO and indicates he has nothing further to pay. I'm minded to say this is fair and no changes are needed to these aspects of NewDay's reporting.

Mr H cited the Consumer Duty to support his view that NewDay haven't engaged fairly with him. He says he's a vulnerable customer, and NewDay made contacting them unreasonably difficult.

I need to look at what happened on the run up to Mr H's complaint, rather than what happened afterwards. I've looked for evidence that Mr H encountered unreasonable barriers when trying to make enquiries with NewDay or raise complaints with them about the handling of his accounts.

I'm mindful that NewDay advertise they can be contacted by phone or post. I've not seen evidence Mr H had trouble using these options. Mr H was able to raise a complaint, although says he was directed to an app to read NewDay's response, which wasn't possible given

Mr H's account was closed. I can see how this was frustrating for Mr H.

However I'm not minded to say there's evidence that NewDay presented Mr H with unreasonable barriers to make enquiries about his accounts or raise his complaint. I'm not inclined to say that NewDay fell short of their regulatory obligations here.

I am inclined to say, however, that Mr H has been put to some trouble and inconvenience over this matter, and ultimately he's had to bring a complaint to the Financial Ombudsman Service to ensure NewDay are accurately and fairly reporting his defaults to the CRAs. I intend to say that NewDay should pay £150 in total to Mr H to recognise this. So if £60 has been paid, I propose a further £90 be paid to Mr H."

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.

Neither party responded to my provisional decision with any further evidence or comments for me to consider.

In those circumstances I see no reason to depart from my provisional decision (copied above) which I adopt here as my final decision.

Putting things right

NewDay Ltd must pay Mr H £150 in total for his distress and inconvenience (so if £60 has been paid, a further £90 should be paid) and also backdate Mr H's default dates as follows:

- (i) Bip credit card account – 6 May 2022
- (ii) Aqua credit card – 14 July 2022

My final decision

For the reasons I've outlined, I uphold this complaint and NewDay Ltd must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 August 2025.

Clare Burgess-Cade
Ombudsman