

The complaint

Mrs M complains that The Royal Bank of Scotland Plc (RBS) unfairly recorded adverse information with credit reference agencies (CRAs), following a missed payment towards her credit card.

What happened

Mrs M holds a credit card account with RBS. She makes her payments monthly by direct debit. In the middle of January 2025, Mrs M contacted RBS to ask how much she needed to pay to clear her credit card balance in full, and was informed that the amount owing was £187.44. Mrs M said that she would look to make the payment that day, so RBS agreed that they would suspend the direct debit due in February 2025, and they agreed to freeze the following month's interest, so that the balance didn't alter.

Despite Mrs M's best intentions, she was unable to clear the full balance prior to February's payment falling due. And, given Mrs M's direct debit had been suspended for February, no payment was taken for that month. As such, RBS recorded a missed payment marker against her credit file.

Unhappy with the missed payment marker, Mrs M complained. She said she hadn't been made aware that if the direct debit didn't go through in February 2025 that she would have a marker placed against her credit file. And she thought that she would be able to just pay extra the following month to catch up with the missed payment.

RBS responded. They said that Mrs M agreed to suspend the direct debit for February 2025 as she was intending to repay her credit card balance in full; but they had received no communication prior the February payment falling due, to inform them she would no longer be able to pay this amount. They said they also received no request for the direct debit to be re-instated for February 2025's payment. They were therefore satisfied they were right to record a missed payment against Mrs M's credit file in the circumstances. They also said they sent Mrs M notice of the missed payment to inform her of the arrears that had accrued.

Mrs M remained unhappy however and brought her complaint to our service.

An investigator considered Mrs M's complaint, but ultimately, didn't recommend it be upheld. He said that while he could see Mrs M had acted in good faith and believed she wasn't doing anything wrong in the way she was managing her account, RBS still had a duty to report accurate information to CRAs. So, he didn't think RBS had done anything wrong.

But Mrs M remained unhappy and maintained that she was never informed that a direct debit suspension for a month meant that if she didn't settle the full balance, she would receive bad credit. So, as the parties remained in disagreement, the case was 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.

When Mrs M called in January, she asked RBS how much was owing on her account. And she explained the reason for this query was because she'd been making just minimum payments towards her account for a prolonged period; and she now wanted to pay off her outstanding balance.

RBS explained that they could see Mrs M was making a minimum payment of £5 per month and that her account had closed in 2020 and hadn't been used for some time. They explained that the amount required to clear the balance in full was £187.44. Mrs M enquired as to whether there was any interest due to be added to the balance still, as she was intending to pay tomorrow. But RBS explained that as Mrs M was clearing the full balance, they could waive next month's interest, so that the £187.44 owing, was all that was required to be paid. They asked Mrs M if she intended to pay online or if she wanted to pay now with her card. And Mrs M explained she'd probably pay by card, but wouldn't do so right now, and just wanted to check what was owing before making the payment. It was agreed she could call back on the same phone number to make payment using her debit card. And the advisor confirmed he would waive next month's interest. Mrs M then said - *"I'll get that done today"*.

Following Mrs M setting out her intention of paying that day, the advisor said he could suspend next month's direct debit due to claim on 1 February, and he asked Mrs M if she wanted him to do that now. Mrs M replied *"yeah, because I definitely will clear this, that would be amazing thank you, that's great."* The advisor then asked if there were any other questions, to which Mrs M replied *"No"*. The call then came to an end.

Having listened to the call, I'm satisfied that Mrs M had made clear her intentions to clear the balance in full either the same day, or the next day in January. So, given this would leave a zero-balance outstanding, I'm satisfied RBS's suggested course of action to suspend the direct debit for February - as no further payments would be due - was a sensible approach to take. I'm also satisfied that Mrs M agreed to the direct debit suspension on that basis.

As the investigator set out, I accept Mrs M was acting with the best of intentions. But, having agreed to suspend the February direct debit; and, having made no contact following her agreement to pay off her balance in full, I think it should have been clear to Mrs M that no payment would be taken from her account at the start of February 2025, and as such, her February 2025 payment would be missed.

Mrs M has argued that she was never informed that a suspension for a month, meant that if she didn't settle the full balance, she would receive bad credit. And why I understand Mrs M's thoughts on this; and, although the failure to pay off her balance that month did contribute to the situation, it wasn't the failure to pay the full balance that resulted in the adverse information being recorded, but simply, that Mrs M had failed to pay the minimum payment due in the month of February, while a balance remained outstanding.

Mrs M said that when she called in in March, she explained that she didn't want any bad credit recorded against her, and she said it wasn't her fault that the payment didn't go through for February. But respectfully, I disagree. Mrs M was aware she needed to maintain a minimum monthly payment towards her outstanding balance, and she had done just that for a number of years; and she was aware the February direct debit payment had been suspended, as she agreed to this. She also didn't contact RBS to re-instate the direct debit when she was no longer in a position to pay off her balance in full.

So, while I appreciate Mrs M agreed to the direct debit suspension with the best of intentions, ultimately, I think Mrs M had enough information available to her, to be aware that a payment wouldn't go through for February, and that as such, this would impact her credit

file. And, while I accept a call was made to RBS in February 2025, where Mrs M made it clear that she didn't want any bad credit recorded against her, by this time, the payment had already been missed, so this wouldn't have changed RBS's position.

Mrs M also raised concerns about having not received post or emails. But the evidence provided by RBS shows that they hold Mrs M's current address on their file and have provided evidence that they sent letters to this address in respect of the arrears. So, Mrs M may wish to speak with her postal provider if she continues having issues here. But while I appreciate there could have been postal issues, even if Mrs M were to have received letters regarding the arrears, by the time she would have received them, the payment would have already been missed, and as such, would have still been reported to the CRAs as a late payment. So, I'm not persuaded that any postal issues Mrs M experienced, ultimately had an impact on the overall outcome here.

So, while I appreciate this will come as a disappointment to Mrs M, and I appreciate it may have been her intention to make a payment in February 2025, ultimately, I'm satisfied she was made aware that the February direct debit had been suspended; and, no further arrangements were made by Mrs M to ensure her minimum payment was made that month. Therefore, I can't reasonably conclude that it was wrong for RBS to report the late payment to CRAs in the circumstances.

So, for the reasons set out above, I won't be asking RBS to do anything further.

My final decision

My final decision is that I do not uphold Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 25 November 2025.

Brad McIlquham
Ombudsman