

The complaint

A company which I'll call 'T' complains that New Wave Capital (trading as Capital on Tap) behaved unreasonably when it reported adverse information on its credit file.

The complaint is brought on T's behalf by its director, Mr B.

What happened

T took out a revolving credit facility with New Wave in October 2021 for £15,000.

Mr B told us:

- In October 2024 he contacted New Wave as he was unwell and not working which meant T was unable to make its repayment.
- New Wave said its collections department had tried to contact him about a missed repayment, but he hadn't received any contact from it.
- He thought he'd set up a payment plan with New Wave on the October 2024 call and was told that he'd receive a call back the next day but that didn't happen. The repayment plan hadn't been set up so New Wave kept trying to take the direct debit payment when there hadn't been any available funds.
- He'd tried to make a manual payment in November 2024 towards the arrears, but New Wave said this hadn't been received and it cancelled T's credit facility. It said there had been arrears of more than 90 days but that wasn't true.
- New Wave had reported adverse information on both T's and his personal credit file which meant that T's suppliers had cancelled their credit terms which was causing difficulty for the business.
- New Wave had admitted it had made a mistake and refunded T £25, but he wanted it to remove the adverse information which it had applied in error as it hadn't contacted him as agreed and he'd had an arrangement with it to make reduced repayments.

New Wave told us:

- T had missed its September 2024 repayment and had gone into arrears on its account from this date. Its collections team had tried to contact Mr B by text message and email in September and early October on the details Mr B had provided but didn't receive a response.
- It agreed with Mr B that T would make October's repayment in two smaller instalments, one in October and one in November. However, T didn't make the reduced repayment as agreed so the agreement was terminated.

- It had continued to try and contact Mr B and a payment of £100 was received in November 2024. However, this wasn't sufficient to clear the arrears on T's account, which was around 121 days when the agreement was cancelled in January 2025.
- It had correctly reported the arrears on T's credit file in line with the terms and conditions of the agreement and hadn't acted unfairly in doing so.
- Mr B hadn't mentioned his health problems on the call in October 2024. Had he done so, it may have been able to offer T additional support, but it was unable to do so now the agreement had been terminated.
- It had paid him £25 as a gesture of goodwill because its agent had said they would call back the following day as a reminder to make his repayment but hadn't done so.

Our investigator didn't recommend the complaint be upheld. She thought that New Wave had tried to contact T about the arrears on its account without success and that it was limited by the steps it could put in place without engagement from T. The investigator said that New Wave had acted in line with the terms of the agreement by defaulting T's account and reporting this on its credit file after its account was 120 days in arrears and the termination notice had expired. So, she thought New Wave had fairly reported adverse information on T's account and therefore she wouldn't be asking it to remove this.

Mr B didn't agree and asked for an ombudsman to review T's complaint. Mr B said he'd tried to make offers to New Wave to settle the outstanding debt, but it wouldn't listen and its staff didn't call back as agreed. Mr B also said it was unfair that New Wave were reporting on his personal credit file for T's debt.

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 done so, I'm sorry to disappoint Mr B as I know he feels strongly about T's complaint, but I've decided not to uphold it.

Firstly, Mr B has told us that he is unhappy that New Wave has added adverse information to his personal credit file. However, I am unable to look at New Wave's actions towards Mr B personally. That's because T is the eligible complainant in this case, so I can only look at New Wave's actions with regards to the company. Mr B's complaint about his personal credit file has been addressed under a separate reference.

Mr B says that New Wave has behaved unreasonably in reporting adverse information on T's credit file and said that he hadn't received contact from the lender about the arrears on T's account. However, I don't agree that New Wave has behaved unreasonably here. I say that because New Wave has provided evidence of the times that it tried to contact Mr B regarding the arrears on T's account from September 2024 onwards when T missed its first repayment. I've seen evidence that the lender tried to contact Mr B via text message and email on numerous occasions using the contact information provided by Mr B. I can't fairly hold New Wave responsible for not being able to contact Mr B via those methods.

I recognise that Mr B says he didn't receive the contact from the lender when it said it would call. However, it appears that this was on one occasion in October 2024 which New Wave has apologised for and paid T £25 as a gesture of goodwill. It isn't the role of our service to fine or punish a business for making a mistake and I think this was enough to put things right on that occasion.

I'm also not persuaded that there was the impact to T here that Mr B claims. I say that because I've listened to Mr B's the call with New Wave in October 2024 and the call handler was clear about the impact of T having missed its September repayment and what that meant for the payment which was due in October. The call handler repeatedly asked Mr B for more information about T and if there was anything affecting its ability to make its repayments – but Mr B said no. He also didn't tell New Wave that he was suffering from ill health. Mr B asked New Wave for support, but he only provided limited information to it. The call handler tried to set up an arrangement for T to repay the arrears which was agreed with Mr B – but then he changed his mind.

The call handler explained to Mr B that T's credit file had already been affected because it had missed its September repayment, and that Mr B's credit file would only be affected if T was in arrears for more than 90 days. The call ended with Mr B saying that T would clear the whole balance on the next Monday. That didn't happen and T didn't make the full or reduced payment towards the arrears. I've seen that New Wave then repeatedly tried to contact Mr B throughout October, November and December about T's arrears but was unsuccessful, so in January it issued a termination notice followed by a default on T's credit file.

I recognise that Mr B says he made a payment in November 2024. It isn't disputed by New Wave that the payment for £100 was received. However, New Wave said that wasn't sufficient to clear the arrears on T's account or reduce the outstanding balance to less than 90 days of arrears. I haven't seen any evidence Mr B contacted New Wave to discuss T's circumstances or put in place a plan to clear the outstanding arrears on T's account. So, I don't think New Wave has behaved unreasonably in reporting the missed payments and applying a default to T's credit file.

Mr B has said he wants New Wave to remove the missed payments and default from T's credit file as that is affecting T's ability to obtain credit from its suppliers. But lenders have a responsibility to report accurate information, and I'm satisfied that New Wave reported the missed repayments and defaulted the agreement fairly, I won't be asking the lender to remove the adverse information from T's credit file.

I recognise that my decision will be disappointing for Mr B as I know he feels strongly about T's complaint, but I don't think New Wave has done anything wrong in reporting the adverse information on T's credit file. I acknowledge that this has been a difficult time for Mr B due to his health, but New Wave has told us that T's account has been passed to its specialist support team, and they are working with the company to ensure an affordable repayment plan is in place for T. I would encourage Mr B to maintain contact with New Wave regarding an affordable repayment arrangement as the lender should treat T fairly.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 19 February 2026.

Jenny Lomax
Ombudsman