

The complaint

Mr F complains that Next Retail Limited ('Next') unfairly reported his late payment to the Credit Reference Agencies ('CRAs'), after they'd not communicated clearly about a due payment on his credit account.

Mr F would like his credit file amending.

What happened

Mr F was unhappy that Next didn't uphold his complaint and referred it to the Financial Ombudsman Service. He said the payment was late because he was abroad at the time and Next's payment reminder notification hadn't given any sense of urgency or a deadline to pay.

Mr F thought the late payment marker was disproportionate because it was over £8 which was paid on his return to the UK, but the marker would affect his credit rating and potentially his career in the financial industry for six years. Mr F also stressed he had a serious health condition and the marker was causing him a lot of stress and anxiety, which was exacerbating his symptoms.

Our investigator didn't think Next needed to take any action because the late payment marker was accurate and Mr F had been given a fair chance to pay his credit account on time. Mr F disagreed, so the matter came 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.

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

Having done so I have decided not to uphold Mr F's complaint. I'll explain why, though my reasons are broadly similar to those given by our investigator.

The Information Commissioner's Office (ICO) sets out guiding principles for businesses reporting arrears, arrangements and defaults. The ICO says *"if you do not make your regular expected payment by the agreed time and/or for the agreed amount according to your terms and conditions, the account may be reported to the CRAs as being in arrears."*

The ICO also says *"data that is reported on your credit file must be fair, accurate, consistent, complete and up to date."*

There's no dispute over the accuracy of the marker. I recognise Mr F feels it's unfair but I've taken a different view because I think Mr F was given a fair opportunity to avoid the negative impact on his credit file.

I say this because Mr F's terms and conditions set out a minimum payment was payable each month and that failure to do this on time would lead to information being reported to the CRAs. The credit agreement sets out when Mr F could expect to receive a statement. Mr F was aware he'd made purchases on his credit account so I think he might reasonably have expected a payment would be due.

Next issued a statement to Mr F on 1 April 2025 setting out he needed to pay £8 by 24 April 2025. Many options were given for payment methods to include a direct debit which would have enabled Mr F to meet the minimum payment on time each month. I think Next gave a reasonable period for the minimum payment to be made.

I think it was good practice for Next to send a payment reminder to Mr F on 25 April 2025. This said *"we have not received your minimum payment yet. Amount due: £8.00."* The message then set out ways to make a payment, including paying online. I think this was clear that a payment needed to be made and enabled Mr F to check his account and/or pay using the methods set out.

Next have a policy of allowing a short grace period for payments to be made before they report them as late to the CRAs, which I think is reasonable. If Mr F had paid sooner, or in the few days following his payment reminder, it's likely the late payment marker wouldn't have been reported. Unfortunately he didn't make payment until 2 May 2025 which was too late to avoid the impact to his credit file.

I acknowledge that Mr F had other matters going on in his personal life that would have made prioritising this account difficult and I am sorry to hear that he's having serious health problems. I don't think Mr F has mentioned these as a way of excusing what happened, rather he's hoping an exception can be made on this occasion.

I recognise Mr F's strength of feeling that the marker is disproportionate. The purpose of credit reporting is to show that an account's not been maintained in accordance with the terms and conditions, regardless of the amount involved. So although it's £8, and Mr F's first indiscretion, I don't think that's a reason not to report the marker. The duration of the potential impact is also, in my view, not a reason to refrain from reporting accurate data.

How information on an individual's credit file is perceived by potential lenders will depend on their own lending criteria and appetite for risk. Usually a late payment marker will have less significance as time goes on. I wouldn't expect Next to refrain from reporting data in line with their obligations because of the potential impact it might have on an individual in the future.

In these circumstances I think Mr F was given a fair opportunity to avoid the impact to his credit file and Next's reporting of his late payment is in line with ICO's guidance. I know this will be a disappointment to Mr F, but that means I am not going to uphold his complaint or ask Next to take any action on this occasion.

Mr F can place a notice of correction on his credit file to explain what happened if he feels this gives some context to the marker. To do this he will need to contact each of the main CRAs.

My final decision

For the reasons I've outlined I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 8 October 2025.

Clare Burgess-Cade
Ombudsman