

## The complaint

Mr and Mrs S complain that The Royal Bank of Scotland Plc (RBS) wrongly reported arrears on their mortgage to the credit reference agencies.

## What happened

Mr and Mrs S have a mortgage with RBS. They make payment at the end of the month by bank transfer following receipt of salary payments. Sometimes RBS reports to the credit reference agencies that a payment was missed and the mortgage is in arrears.

Mr and Mrs S have made a series of complaints about this issue, and RBS has sent them several final responses:

- 21 August 2024 – RBS said that it had explained that payment needed to be made by the 28th of each month to be credited to the mortgage in time. It said it had offered to amend the payment due date to the 1st of each month and credit one monthly payment to the mortgage to avoid two payments having to be made on changing the due date. This was paid in March 2024, covering the March monthly payment. This meant that Mr and Mrs S didn't need to make a payment in March, but should have made a payment on 1 April. But instead they made a payment on 28 March, and a payment on 30 April. This meant it was treated as an overpayment for March and a missed payment for April. Mr and Mrs S had made payments after the 28th of the month every month in 2024 other than March and June. But only July's payment had been reported as missed to their credit files – RBS said it would remove that report. To avoid future missed payments, payments needed to be made before the 28th of each month.
- 8 October 2024 – RBS reiterated the explanation it had given in August.
- 9 April 2025 – RBS said Mr and Mrs S had correctly paid £1,060 on 30 January and £1,061 on 28 February. These were the correct monthly payments. But RBS incorrectly reported that the full monthly payments had not been made. When Mr and Mrs S contacted RBS having found this report on their credit files, RBS was not as helpful as it should have been. RBS said it had corrected the credit file reports for January and February, and offered £200 compensation. It said it would manually check and if necessary amend the credit file reporting on Mr and Mrs S's account each month from now on. On 25 April 2025 RBS increased its offer to £400.

Mr and Mrs S brought their complaint to us. They said that RBS had reported a missed payment again for April.

Our investigator said he could only consider the most recent credit file reporting. He said that RBS should increase its offer of compensation to £600. He said the missed payment marker for April would need to be addressed separately. RBS accepted that but Mr and Mrs S didn't. They said that the compensation didn't reflect the upset they'd experienced and the impact of what had gone wrong on them.

## **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'm sorry to hear about Mr and Mrs S's experience and the impact on them. I'm afraid I can't consider all of their complaint. As our investigator explained, we can only consider complaints brought to us within the time limits – within six months of RBS's final response. That means that the matters dealt with in the earlier final responses are out of time. RBS doesn't consent to us looking at those issues, and I've not seen any exceptional circumstances which explain why Mr and Mrs S couldn't have referred those complaints to us any sooner than they did.

However, I can consider the incorrect reporting for January and February 2025. And while I can't consider a complaint about what happened before then, I can take into account what happened as relevant evidence for what happened in 2025.

RBS has explained that Mr and Mrs S need to make their monthly payment by the 28th of the month to ensure it is treated as having been made on time. In recognition of the fact that they get paid at the end of the month, it offered to move their payment due date to the 1st of the month and credit an extra monthly payment to their mortgage.

This is because moving the payment to the beginning of a month would mean that Mr and Mrs S would either have to make two payments close together, or leave a gap of over a month between payments. Doing the first would cause them financial difficulty. And doing the second would mean they missed a payment. So it offered to credit one month's payment so they didn't have to find two payments, and they didn't have to miss one either.

That meant that Mr and Mrs S didn't need to make any payment in March 2024. RBS covered the March payment, which meant the money Mr and Mrs S would otherwise have used to make a payment at the end of March could be used to make a payment at the beginning of April instead. That way they could make April's payment using March's salary, and ensure their payments were made before the 28th.

But Mr and Mrs S didn't do that. They made payments at the end of March – which they didn't need to do – and at the end of April, after the 28th.

The problems in January and February 2025 were not because of this issue. They were because RBS recorded the wrong amounts as being expected. It says it doesn't know how that happened, but it was clearly a mistake. In view of the upset Mr and Mrs S had already experienced regarding their credit file, it offered £400 compensation. Our investigator said this should be increased to £600, which RBS accepted.

I think that's a fair offer. It reflects the fact that there were two missed payment markers – but that they came after a period of time when Mr and Mrs S were already worried about their credit file and had made other complaints about it. RBS also removed the missed payment markers for January and February, which I also think is fair.

I'm not going to consider the missed payment marker for April, or the one for May which Mr and Mrs S now say was also reported, as part of this complaint. That's because it falls outside the scope of what was originally referred to us, and RBS needs to have the chance to address that complaint first.

RBS has said it will manually monitor Mr and Mrs S's credit file reporting from now on, to make sure it's correct. I think that's fair.

But it's important that Mr and Mrs S also understand that if they continue to make manual payments, they need to make sure that RBS receives the payments by the 28th of each month for them to be recorded as having been made in time.

### **My final decision**

My final decision is that The Royal Bank of Scotland Plc should pay Mr and Mrs S £600 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 15 December 2025.

Simon Pugh  
**Ombudsman**