

The complaint

Mr and Mrs T complain that Metro Bank PLC has unfairly recorded adverse information on their credit reference file.

What happened

Mr and Mrs T have a mortgage with Metro Bank. In October and December 2024, when Metro Bank attempted to collect the monthly payments that were due, the direct debit was returned unpaid. On both occasions, the payments were collected the following month by direct debit. But Metro Bank has recorded that the payments for October and December 2024 were made late on Mr and Mrs T's credit files.

Mr and Mrs T do not consider it was fair for Metro Bank to record late payments on their credit files. They said they'd missed the date to transfer funds into the account the payments were collected from due to an oversight. They said that they'd not had any adverse information recorded before when they'd paid late with a similar length of delay.

The investigator did not think the complaint should be upheld.

Mr and Mrs T did not accept what the investigator said. They responded to make a number of points, including:

- The payments were collected in full and only slightly outside the expected payment date. The account was not in arrears and the delays did not reflect any unwillingness to repay.
- The delays were due to exceptional personal circumstances that disrupted their financial arrangements. It did not indicate poor financial conduct. They had a longstanding record of making payments on time and this isolated issue was resolved immediately.
- They made a payment after the due date in May 2024, but Metro Bank did not record a late payment on their credit files. They could not see how Metro Bank could justify recording the October and December payments as late in the same circumstances.
- Even if Metro Bank's reporting is automated it should exercise discretion and fairness – and should avoid unnecessary harm.
- The presence of two late payments on their credit files risks damaging their credit rating and future financial prospects.
- Metro Bank's actions were not in line with the FCA's Principles for Businesses, the Consumer Duty or the Consumer Credit Sourcebook.
- The information reported on credit files should reflect genuine risk. In this case there were minor delays, resolved quickly that were due to change in personal circumstances. They do not demonstrate risk, negligence or inability to repay. The markers are misleading and disproportionate.

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.

Metro Bank is obliged to report true and accurate information to credit reference agencies. It is not in dispute that the payments were due to Mr and Mrs T's mortgage on 28 October and 30 December 2024 (as 28th fell on the weekend). Those payments were not made on time. In each case they were made a few days later, but in the following calendar month.

It was therefore true and accurate for Metro bank to record that the payments were made late. That is the correct factual position and it is in line with good practice. But it is for me to decide if it was fair for it to do so in the individual circumstances of this case.

The purpose of a credit file is so that lenders can make decision about whether to lend to customers and if so on what terms. So it is intended to show a picture of a borrower's creditworthiness. That is not just whether a borrower had the funds to make a payment but whether they manage their affairs in such a way that they do make the payments that are due and on time.

While I accept it was a genuine oversight because Mr and Mrs T had some difficult personal circumstances, I consider it is accurate and fair for Metro Bank to record that they made late payments. It reflects how they managed their mortgage payments. It is open to Mr and Mrs T to place a notice of correction on their credit file if they wish to explain the reasons why the payments were late.

I don't think the Consumer Credit Sourcebook is relevant here – it does not apply to regulated mortgage contracts. Metro Bank is treating Mr and Mrs T the same as any other borrowers in these circumstances and I've explained why I consider it was fair for it to record the information it did. It is not clear how Mr and Mrs T consider that Metro bank did not fulfil their information needs. But the communication I have seen relating to what it will do is clear, fair and not misleading.

The Consumer Duty does include a requirement for Metro bank to prevent foreseeable harm – but that does not mean that it should prevent all harm. In this case there was an inherent risk that if Mr and Mrs T did not pay their mortgage on time that would be recorded on their credit file. But it was reasonable for Metro Bank to understand that Mr and Mrs T had accepted that risk when they took out the mortgage and accepted its terms.

Metro Bank has told us it made a mistake when it did not record a late payment for the May 2024 payment. It does not follow that it is not fair or reasonable for it record any subsequent payments that were made late – and I have explained why I consider it was fair. The mistake was to Mr and Mrs T's advantage.

Metro Bank paid Mr and Mrs T for providing a poor service at times. In all the circumstances I think that was fair – I do not see how I could require it to do any more, particularly as I have found that it was fair for it to record the adverse information on Mr and Mrs T's credit files.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 16 December 2025.

Ken Rose
Ombudsman