

The complaint

Mr T complains V12 Retail Finance Limited (V12) unfairly refused to remove a missed payment marker from his credit file.

What happened

On or around 8 March 2022, Mr T bought jewellery with a fixed-sum loan from V12. After a £255 deposit, £1,895 was left to repay over 48 months. The monthly instalment was £39.48.

V12 first tried to collect the monthly instalment by direct debit on 16 April 2025, and then later on 28 April 2025, but both attempts returned unpaid.

Mr T then paid £39.48 with his bank card on 2 May 2025. Unfortunately, because V12 reports to the credit reference agencies (CRAs) at the end of each month, it had already recorded the account as in arrears at the end of April 2025.

Mr T complained to V12. He accepted the payment was late, but said exceptional circumstances justified the removal of the arrears marker from his credit file.

In its final response dated 14 July 2025, V12 didn't uphold the complaint. It said it had a duty to report accurate information to the CRAs, and that's exactly what it did. Our investigator didn't think V12 had done anything wrong for broadly the same reasons.

Mr T disagreed. He maintained that because he was only a little bit late and had exceptional circumstances, the missed payment marker was disproportionate and unfair.

He provided evidence including a January 2025 death certificate, travel records showing he was abroad between March and July 2025, and other supporting documents.

The complaint has come to me for a decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality. I'd like to assure both parties I've carefully considered everything they've sent.

I recognise Mr T has been through a very difficult time and I'm sorry for his loss. I also accept he'll be disappointed I've reached the same overall outcome as our investigator.

The terms of Mr T's loan agreement clearly state that missing a payment can have severe consequences and may result in his credit record being affected.

Mr T set up a direct debit to ensure he met his monthly contractual payment. But his account history shows several failed direct debits resulting in short-term arrears on occasion from

2022 through to at least July 2025. Our investigator said the failed direct debits were due to insufficient funds. As Mr T didn't disagree, on balance I think that's likely.

On these other occasions, Mr T cleared the arrears before V12's end-of-month CRA reporting. However, that doesn't mean the account was managed perfectly — only that arrears were cleared before the reporting.

A similar pattern happened with the missed payment on 16 April 2025. But the difference here is that, following two failed direct debits, Mr T's manual payment on 2 May 2025 cleared the arrears after V12 reported the account to the CRAs towards the end of April 2025.

Under the ICO's principles on reporting to the CRAs, firms must ensure data they report is fair, accurate, consistent, complete and up to date. The principles explain that if a customer fails to make the regular expected payment by the agreed time and/or for the agreed amount, the account may be reported as in arrears. V12 reporting the arrears in April 2025 — and declining to remove that accurate entry — is consistent with those principles.

If V12 had instead reported the account as not in arrears, or if it removed the arrears marker now, the CRA data would be inaccurate. That would be contrary to ICO principles.

There are limited circumstances where it might be fair to correct CRA data — for example, where arrears were caused by a firm's administrative error in applying what would otherwise be a valid payment. But that didn't happen here. The arrears arose because Mr T failed to make his contractual payment in time. And they were reported to the CRAs because Mr T hadn't cleared the arrears by the end of the month. Except for the difference in reporting, what happened isn't too dissimilar to what had occurred on several occasions in the past.

I accept Mr T's circumstances made things difficult for him. But I'm not persuaded they obligate V12 to change accurate CRA data. Taking everything into account, I don't consider V12 acted unfairly or unreasonably, so I won't be asking it to do anything further.

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 to accept or reject my decision before 22 October 2025.

Alex Watts
Ombudsman