

The complaint

Mr G complains about information recorded on his credit file by Bank of Scotland plc trading as Halifax.

What happened

Mr G has a loan and current account with Halifax. In April 2025, his monthly loan repayment was due. Mr G said he had funds available in his Halifax account on 30 April 2025 but it didn't attempt to take his payment by direct debit until a few days later when his current account no longer had sufficient funds available. Mr G says he didn't receive a notification of the failed repayment until 9 May 2025. Halifax recorded a missed loan repayment on Mr G's credit file, so he complained.

Halifax said the direct debit for the loan repayment was due on 25 April 2025 but there weren't enough funds in his current account to cover the payment. It says it sent him a text message and wrote to him the same day to let him know what had happened. Halifax said Mr G had paid money into his account on 30 April 2025, but it wasn't due to reattempt the direct debit until seven days after the first failed payment on 25 April 2025. Halifax added this had happened on five previous occasions where the first direct debit failed and the payment was taken on the second attempt. Halifax added that even if it had tried to take loan repayment before this date, another payment taken from Mr G's current account would have failed as he didn't have enough money available to cover both payments.

When Halifax made its second attempt to collect the direct debit on 2 May 2025, there wasn't enough money in his account. Halifax says it sent him another text message. Halifax said it gave Mr G a 14 day 'grace period' to make the payment due on 25 April 2025. This expired on 9 May 2025, with no payment received. So, it was right to record a missed repayment. The missed repayment wasn't made until 16 May 2025.

Unhappy with this response, Mr G referred his complaint to our service. He asked for an apology, for the late payment to be removed from his credit file, and compensation for the financial and emotional distress this matter caused him.

One of our investigators reviewed Mr G's complaint. They said Halifax had said appropriate notice of the failed payments and had acted in line with the terms and conditions of the loan account, so Halifax wasn't obliged to remove the missed repayment marker. Mr G asked for an ombudsman to review his complaint and reiterated his belief that Halifax hadn't treated him fairly or reasonably by failing to collect his direct debit before 1 May 2025, when his account had sufficient funds. He said he didn't receive any emails or text messages alerting him to the failed repayments and felt Halifax had breached the regulator's rules.

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 confirm I've taken into account the relevant rules and legislation as well as

reviewing the evidence provided by both parties to this complaint. Having reviewed Mr G's statements as well as the messages Halifax sent Mr G. It's clear his current account didn't have sufficient funds available to make his loan repayment when it was due on 25 April 2025. Whilst Mr G may not have received Halifax's messages, I have no reason to doubt they were sent. Overall, I think Halifax made reasonable attempts to alert Mr G to the failed payments. In any event, it was ultimately Mr G's responsibility to ensure his loan repayments were made on time. I note he was also able to monitor his Halifax current account, which would have shown the returned direct debit payments.

Mr G says Halifax didn't take the loan repayment when there was enough money in his account. However, his loan agreement sets out that if a direct debit fails, it will try take the payment once more within seven days. It was ultimately Mr G's responsibility to maintain his current account with a sufficient available balance to cover the repayment given he'd been told Halifax would reattempt to take the direct debit seven days after it was due. It wasn't obliged to attempt a payment on 30 April 2025, as it was still within the seven-day window. Even if Halifax had taken the payment on before 2 May 2025, other payments would have failed.

The terms of his loan say missed repayments may result in a lower credit rating, making it more difficult or expensive to borrow money in the future. Halifax is obliged to ensure the information it reports on Mr G's credit file is an accurate record of his payment history. As Mr G didn't make his contractual loan repayment on time in April 2025, Halifax's decision to record the missed repayment on his credit file was correct.

Whilst I appreciate Mr G's comments about Halifax's obligation to treat him fairly and the impact this matter has had on him, I don't think Halifax made an error here and it isn't obliged to remove this late payment marker from his credit file. It follows that I don't think Halifax needs to apologise, offer compensation or take any other steps to resolve this complaint.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 January 2026.

Victoria Blackwood
Ombudsman