

The complaint

Miss O is unhappy with how Monzo Bank Ltd have reported her loan to the credit reference agencies (CRAs).

What happened

Miss O took out a loan with Monzo in December 2021 to be repaid over three years.

Miss O was due to make a payment to the loan in December 2024, but due to financial challenges she was unable to make the required payment and arranged a *promise to pay* the required sum by 31 January 2025.

Miss O paid some of the money due on 31 January 2025, but the full amount was not paid until 1 February 2025. The loan was repaid on 1 February 2025.

Following this Miss O later noticed her loan was being reported negatively on her credit file, and she raised her concerns with Monzo given she had adhered to the *promise to pay*, and she had not experienced negative reporting on similar previous occasions.

Monzo reviewed Miss O's concerns and concluded they had accurately reported her account.

Our Investigator concluded Miss O's complaint should not be upheld as the reporting was fair and Monzo had let Miss O know that missing a payment could affect her credit file. The Investigator also noted Monzo's obligations to provide accurate information to the CRAs.

Miss O strongly disagreed with the Investigator given this had not happened previously in similar circumstances; she had acted in good faith and she said that Monzo had failed to consider that she was a vulnerable customer despite her making them aware of this. Miss O said the matter had caused her a significant amount of distress and there was an ongoing emotional and financial impact for her. To resolve the matter Miss O requested that the negative marker be removed and that compensation be considered for the distress the matter had caused her.

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've only included a summary of what's happened above, I assure both parties I have reviewed all the available evidence and submissions. And although I may not respond to each individual point either party has raised, this does not mean I have not taken them into account, rather I have focused on those points I consider relevant to reaching a fair and reasonable resolution in this matter.

To decide what is a fair and reasonable resolution for this matter I have taken into account any relevant law and regulations; regulators' rules, guidance and standards; codes of

practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

It may also help Miss O to understand my role is not to fine or punish a firm, or to interfere with their systems, processes or controls as these are all considerations for the appropriate regulator.

It is accepted by both parties that Miss O did not make a payment towards her loan when she was required to do so. What is therefore left for me to decide is whether, in the circumstances, Monzo were entitled to report this to the CRAs and whether it was fair of them to do so.

I recognise Miss O's financial standing is, understandably, important to her and that she has acknowledged her responsibility to repay her loan, so my findings here are not to take this away from Miss O; but I must consider whether Monzo have done something wrong or acted unfairly in some way and in the circumstances I have not seen enough here to say Monzo acted unfairly or were wrong to report that Miss O had not made a payment to her loan when she was required to do so.

The Information Commissioner's Office (ICO) – the independent regulatory office set up to uphold information rights in the interest of the public – set out principles which include that lenders (like Monzo) ensure the data reported on a person's credit file is fair, accurate and up to date.

The ICO also explains for customers that if payments are not made by the agreed time and / or for the agreed amount according to the terms and conditions, then the account may be reported as being in arrears. And that the status of the arrears can include being based on missed payments and months past the repayment date.

Miss O did not make the required payment for December 2024 when it was due, so it would be accurate to report this to the CRAs. I have not seen anything to suggest Monzo told Miss O that they would not report to the CRAs when a payment was not made as and when expected; rather the submissions show that Monzo set out that missed payments can have a negative impact on a credit file.

Miss O's final payment to the loan was not made by 31 January 2025 as promised as the payments were applied to her account on 1 February 2025, but Monzo have said they did not report this to the CRAs – which, in the circumstances, I think is fair.

I'm unable to say why any previous payments that were not made when they fell due were not reported to the CRAs previously, but I think it reasonable to say this would have been to Miss O's advantage if they ought to have been. And this does not remove the responsibility Monzo have for reporting accurately in relation to the payment that was not made when required as this complaint relates to.

I've considered what Miss O has said about the personal impact to her and I am sorry to learn of the distress this matter has caused her. However, I've not seen enough here to say Monzo were unreasonable in reporting that a payment was not made when it was due, and I think Miss O was more likely than not aware there could be an impact to her credit file.

Taking everything into account, I've not seen enough to persuade me that Monzo have done something wrong here or acted unfairly in this case.

My final decision

I realise this will not be the outcome Miss O was hoping for, but for the reasons above, my final decision is that Miss O's complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 28 October 2025.

Kristina Mathews
Ombudsman