

The complaint

Mr B and Mrs B complain that Topaz Finance Limited trading as Rosinca Mortgages Finance Limited unfairly reported arrears for their buy to let mortgage in November 2024.

Mr B has dealt with the complaint throughout. Mr B says the credit limit on his credit card significantly decreased as a result of the adverse data on his credit file. Mr B asks for compensation for the impact this had on his business, family life and health.

What happened

Mr B and Mrs B had a buy-to-let mortgage with Topaz. Mr B contacted Topaz on 30 September 2024. He asked for a payment break. He said the property was to be marketed for sale and there would be no tenants in the property. Mr B said he could pay £150 per month and a reduced payment arrangement was agreed for three months. Topaz didn't tell Mr B that this would affect his credit file – when he asked it assured him it would not.

Topaz sent a letter to confirm the arrangement and this said Mr B's credit file might be affected. Mr B says he didn't receive the letter. Topaz accepts that he might not have received the letter in good time before the reduced payment was taken by direct debit.

Topaz reported the mortgage as being one month in arrears at the end of November 2024.

Mr B contacted Topaz in mid-December 2024. Topaz said if Mr B reduced the arrears below one month it would remove the adverse data.

Topaz final response letter issued in mid-February 2025 said Mr B's report no longer showed adverse information for November 2024. It offered £200 compensation.

Mr B said as a result of the adverse data recorded by Topaz his credit card limit was reduced from about £10,000 to less than £500. He says this severely affected his ability to manage his business and family budget. He says this caused him stress and health related issues. Mr B said his credit report still shows negative searches and the credit card provider didn't re-instate his credit limit.

Our investigator said Topaz should pay a further £200 compensation, in addition to the £200 it had offered.

Topaz agreed. Mr B didn't agree. He said the credit card provider had declined to re-instate his credit limit. He said his credit status appears to have recovered and he has a credit card account with a different provider. Mr B said there were still flags on his credit report causing damage to his credit score and he doesn't have access to the same level of credit as before.

Mr B said he should be compensated for loss of income (due to not having access to credit and taking time off work due to anxiety), the time and effort this has taken, the impact on his family life and the costs of therapy.

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.

Topaz accepts that it made an error. When Mr B called in September 2024 it didn't ensure he was aware that the reduced payment arrangement might affect his credit file.

Topaz reported the account as having one month's arrears at the end of November 2024.

Topaz removed the arrears marker from Mr B's credit file. It agreed to pay compensation of £400. I have to decide if Topaz has done enough to put matters right.

Topaz updated the information it reports to the credit reference agencies about Mr B and Mrs B's mortgage account to remove the arrears marker. I can't fairly require it to change other aspects of Mr B's credit report, such as the record of searches by other potential lenders. Topaz doesn't have the power or authority to do this.

Similarly, Topaz doesn't have the power to change the lending decisions made by Mr B's credit card provider.

What I can do is consider what amount of compensation is fair and reasonable for the impact this had on Mr B. In doing so, I've taken note of the following.

- Mr B contacted Topaz in September 2024 to ask a payment break. They didn't have a tenant as they were selling the property. Mr B said they could only afford to pay £150 (the contractual monthly payment was about £400). Topaz's records say the income and expenditure information Mr B provided suggested he was in deficit. This could suggest Mr B had financial problems before the adverse data was recorded.
- Topaz's error was not telling Mr B when he called that the reduced payment arrangement might affect his credit report. It wasn't responsible for the circumstances that led to Mr B asking for the reduced payment arrangement.
- Mr B's credit card provider confirmed that the adverse data recorded by Topaz was the main reason for it reducing his credit limit in December 2024. It didn't agree to re-instate the credit limit in January 2025 because the adverse data was still on Mr B's credit report.
- Mr B says he's self-employed and needs credit to invest in equipment and stock for his business. He said the reduced credit limit impacted his ability to grow and maintain the business, resulting in missed opportunities and revenue loss. Mr B didn't provide evidence to support this – such as offers of work or contracts that he had to decline.
- Mr B made applications to other credit card providers in December 2024 (which left a record of searches on his credit report). While it was Mr B's decision to make the applications, it's unlikely he'd have done this if Topaz hadn't reported the adverse data (which led to the limit on the existing account being reduced). It's difficult to know whether these searches are the reason Mr B says he's finding it difficult to access the same level of credit.
- Mr B said the lack of credit affected his ability to manage the family finances over the Christmas period – something he does with the help of credit card debt.
- Mr B provided doctors' notes dated from late December 2024 through to February 2025

confirming a diagnosis of anxiety and recommending he stay off work. Mr B has paid for therapy. Mr B says his anxiety is due to the adverse data recorded by Topaz, and the effect this had. In fairness, I need to consider the possibility that other matters (such as possible financial problems that led to the request for a payment break in September 2024) might have contributed to this. And Mr B hasn't provided evidence of work that he had to decline during this period.

- Mr B contacted Topaz on 19 December 2024 about the adverse data. Topaz told him if he made a payment to reduce the arrears below one month it would remove the arrears marker. Mr B made the payment. Topaz told Mr B it would take about six weeks for his credit report to update. So Topaz offered a solution on the same day that Mr B contacted it – his credit report would be updated (without the adverse data) by early February 2025.
- Mr B raised a complaint in early January 2025. Topaz sent a final response in mid-February 2025. This confirmed the adverse data had been removed from his credit file and offered compensation.
- Mr B provided a copy of his credit report dated mid-March 2025. This shows the Topaz mortgage as up to date.
- In July 2025 Mr B said his credit status had returned to normal, but his credit card provider had declined to re-instate his credit limit. Given this was some months after Topaz removed the adverse data, I must fairly bear in mind that there could be other reasons for this.
- This is a joint mortgage account. However Mr B has dealt with the complaint throughout and it's Mr B that was affected by Topaz's error. Mr B and Mrs B haven't said that the error caused problems for Mrs B.

I don't think Topaz could reasonably have expected its error (failing to tell Mr B on the call that a reduced payment arrangement might affect his credit file) would result in Mr B being unable to work for more than two months. Mr B didn't provide clear evidence to Topaz that its error directly led to financial loss (such as lost income) or the amount of any such loss. Without this, I can't fairly require Topaz to pay compensation for financial loss.

Given that Topaz removed the arrears marker by mid-February 2025, it seems unlikely this is the reason Mr B continued to have difficulty accessing credit or the reason for the flags Mr B says are on his credit file. It's difficult to know what effect, if any, the searches recorded in December 2024 might have when Mr B applies for credit. Without evidence that the problems Mr B has encountered are due (or mainly due) to Topaz's error, I can't fairly require it to pay compensation or take further steps to put things right.

Mr B wasn't happy with the compensation offered and brought his complaint to this service – as is his right. We offer an informal dispute resolution service and we don't usually require respondents to pay compensation for the time a complainant spends dealing with a complaint. I don't think the circumstances make it fair and reasonable to do so here.

There's no doubt though that Mr B was caused upset and inconvenience by the error. He had to contact his credit card provider to find out what had happened and try to re-instate the credit limit. He made applications to other credit card providers. From what Mr B said, he found it difficult to manage his finances without access to more credit. That would have been inconvenient and worrying. I think it's right that Topaz offered compensation. Taking everything into account, I think £400 is fair and reasonable in the circumstances.

My final decision

My decision is that I uphold this complaint and order Topaz Finance Limited trading as Rosinca Mortgages to pay £400 in total to Mr B. It can deduct any compensation it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 12 September 2025.

Ruth Stevenson
Ombudsman