

## **The complaint**

Miss D complains Bank of Scotland plc (“BoS”) recorded adverse information on her credit file.

## **What happened**

Miss D held a current account with an overdraft facility with BoS. In April 2022, Miss D entered into a Debt Arrangement Scheme (DAS), which included her BoS overdraft.

Miss D’s DAS ran until April 2024 with payments made towards the outstanding BoS overdraft balance. Once the DAS ended, BoS wrote off the outstanding balance of Miss D’s overdraft and closed the account.

Following this, Miss D was unhappy that BoS had reported her account as missed payments throughout the period she was in the DAS. Miss D says she paid her DAS in full, so this is unfairly adverse information. Consequently, Miss D complained.

BoS doesn’t agree it’s done anything wrong. It says as Miss D entered a DAS, her overdraft was removed in April 2022. It therefore says the information it’s reported to credit reference agencies is a fair reflection of Miss D’s account.

Unhappy with BoS’ response, Miss D referred her complaint to the Financial Ombudsman. One of our Investigator’s looked into what happened and didn’t think BoS had done anything wrong. He said the information BoS had reported on Miss D’s credit file was fair.

Miss D disagreed with our Investigators opinion, she said it was unfair for BoS to record missed payments, when she maintained her payments under the DAS. As the matter wasn’t resolved, the complaint has been passed to me to decide.

## **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.

I’ve considered the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

Having done so, I haven’t found BoS has made an error in the information it’s reported to credit reference agencies, so won’t be directing it to amend this. I appreciate this answer will come as a disappointment to Miss D and I’ve explained why I’ve reached this decision below.

Having been informed of Miss D’s DAS, BoS removed her overdraft which I find reasonable in the circumstances and in line with the terms of the account. As an overdraft is repayable on demand (which is to say a bank can ask for the full amount back at any time), this meant the full amount became outstanding in April 2022. However, as Miss D was in a DAS, BoS

didn't take recovery action or default the agreement, as it was set to receive payments under the scheme.

As the overdraft was outstanding from April 2022, I don't then find BoS was unreasonable in reporting to credit reference agencies that the account was overdue until it was partially settled in April 2024. While Miss D made payments towards the overdraft balance each month as the total amount was due, I think recording that a full payment hadn't been made, was reasonable. I've reviewed the information BoS reported to CRAs and find this a fair reflection of Miss D's account, including that she was in the DAS.

I appreciate Miss D says she wasn't made aware this is how BoS may report her account during the DAS. However, I haven't seen Miss D had any conversation with BoS about how her overdraft being included in the DAS may be reported on her credit file before entering into the scheme. So, I haven't seen that BoS gave any incorrect advice here.

In conclusion, while I realise this won't be the answer Miss D is hoping for, I haven't found BoS did anything wrong. At the point of entering the DAS, BoS removed her overdraft facility, which it was entitled to do. As the overdraft balance remained outstanding, I think BoS was then fair in reporting this on Miss D's credit file. I therefore won't be directing BoS to amend the data its reported in relation to the overdraft.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 16 March 2026.

Christopher Convery  
**Ombudsman**