

The complaint

Mr C complains Santander UK Plc didn't clearly explain a payment arrangement would impact his credit file.

What happened

Mr C holds a credit card account with Santander. In December 2024, Mr C contacted Santander for support in reducing his outstanding balance.

It was agreed Mr C's account would be placed onto a repayment plan, where the card would be blocked and no interest or charges would be applied to the outstanding balance. Mr C was then required to make an affordable payment to the balance every 30 days.

After the payment plan was in place, when checking his credit file, Mr C became aware Santander had recorded adverse information on his credit file. Mr C consequently complained.

Santander doesn't agree it's done anything wrong. It says when the payment plan was set up, the advisor explained it could impact Mr C's credit file. Therefore, Santander didn't find the information Mr C was given was misleading.

Unhappy, Mr C referred his complaint to the Financial Ombudsman. He said Santander hadn't given clear information and had it said the payment plan would negatively impact his credit score, he wouldn't have gone ahead with this.

One of our Investigator's looked into things and didn't think Santander had acted unfairly. He said he was satisfied Santander had explained the payment plan may impact Mr C's credit score, when setting it up. He also said Santander had written to Mr C explaining that it would make credit reference agencies aware of the plan.

Mr C disagreed with our Investigator's findings. He said Santander had recorded adverse information as soon as he began the plan, so it should have confirmed it definitely would impact his credit score.

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.

I've listened to the call, in which Mr C set up the payment plan with Santander. During this call there is a discussion about the impact it may have on Mr C's credit file and whether the credit card account could be defaulted.

Having listened to the call, I'm satisfied Mr C was made aware that entering the payment plan would likely impact his credit score. I've included part of the discussion below, about the impact of the payment plan:

Advisor: ...It might have an impact on your credit file and score for six years

Mr C: Is there no other help Santander can really give me, because this way's gonna affect my credit

Advisor: Any time that you spend time in arrears, it will have an impact on your credit file and credit score...

Following this, Santander wrote to Mr C on 17 December 2024, to confirm the payment plan had been set up. In this letter Santander explained that it sends information about the account to credit reference agencies and this may affect his ability to get credit in the future.

Therefore, taking everything into consideration, I find Santander gave clear information about the likely impact the payment plan would have on Mr C's credit file and Mr C was aware of this before agreeing to the payment plan on the call.

I've also reviewed the information Santander has reported to credit reference agencies since Mr C entered the payment plan to the point of raising this complaint and find this to be an accurate and fair representation of his payment history. So, I haven't found it made an error in the information its reported to the credit reference agencies.

As a result, while I appreciate this answer won't be the one Mr C is hoping for and I'm sorry to hear of the impact the adverse information has had on him, I haven't found Santander made an error. I find it gave clear information that the payment plan would likely impact his credit score, and what it's then recorded is a fair representation of his payment history. I therefore won't be directing Santander to do anything further in relation to this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 March 2026.

Christopher Convery
Ombudsman