

## **The complaint**

Mr S complains that Madison CF UK Limited trading as 118 118 Money ('118') didn't honour his arrangement to pay his credit card and reported incorrectly to his credit file.

Mr S wants his credit file amending and for 118 to pay him further compensation for his distress and inconvenience.

## **What happened**

Mr S missed a credit card payment in December 2024. Mr S set up an arrangement to pay his credit card, but 118 didn't take Mr S's direct debits for January 2025 or February 2025. Mr S rang 118 about this and paid over the phone. Mr S set up a new arrangement to start in March 2025.

118 subsequently reported a default on Mr S's credit file and Mr S complained. 118 upheld Mr S's complaint and agreed to remove the default. 118 also paid £100 compensation to Mr S.

Mr S referred his complaint to the Financial Ombudsman Service, saying his credit file was showing missed payments instead of an arrangement. Mr S said he'd spent lots of time on the phone with 118 and had received conflicting information. Mr S also showed he'd been in touch with the Credit Reference Agencies ('CRAs') to dispute his credit file, and said he'd not been able to secure further lending.

Our investigator recommended 118 report Mr S's payment arrangement from January 2025 to May 2025 with all three CRAs, and pay Mr S a further £100 compensation for his distress and inconvenience (£200 in total).

118 agreed, but Mr S felt £1,000 compensation would be a fairer sum for the troubles he'd had. So, the matter came 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 taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

The Financial Ombudsman Service resolves individual complaints based on what is fair and reasonable in the circumstances of each case. We do not punish or fine businesses or request that businesses change their practices or processes as that is the role of the regulator, the Financial Conduct Authority ('FCA').

118 admit they got things wrong so I've focused on whether they've done enough to put things right.

I agree with our investigator that 118 should amend Mr S's credit file and pay Mr S further compensation. I know this will disappoint Mr S but I think £200 is a fair and reasonable sum in these circumstances. I'll explain why, though I broadly agree with our investigator.

Mr S doesn't dispute he missed a payment in December 2024, so I agree it's fair that this is reported to the CRAs. 118 have an obligation to report accurate information to the CRAs about how Mr S has managed his account.

It's clear a payment arrangement was set up from January 2025 and 118 accept Mr S's direct debit wasn't taken on two occasions. A further arrangement was in place from March 2025 to May 2025. On that basis I agree it's fair that 118 report to all three of the main CRAs that Mr S was in an arrangement to pay from January 2025 to May 2025.

I recognise Mr S's strength of feeling that £200 isn't sufficient for all that's happened. It is difficult to put a monetary figure on how upset and inconvenienced someone has been when things go wrong. I can only award compensation to put things right, I can't fine or punish 118. To decide a fair sum of compensation I've consulted the guidelines the Financial Ombudsman Service applies when making awards for distress and inconvenience. These are on our website, with some useful case examples.

I think the £200 recommended by our investigator fairly reflects that Mr S was caused embarrassment, stress and inconvenience trying to sort out 118's mistakes. He rang 118 twice regarding his direct debit, and again about the default that shouldn't have been reported. 118 removed the default swiftly when this was identified, but this took a few weeks. I've also considered that Mr S contacted the CRAs to dispute the late payments still being reported for January 2025 and February 2025, and brought his complaint to the Financial Ombudsman Service for his credit file to be updated.

I am sorry to hear Mr S has been declined for further lending, but I am unable to say this is 118's fault. I say this because I have no evidence that 118's reporting was the sole reason other lenders refused to lend to Mr S, or that they'd have lent money to Mr S if 118 had reported things accurately to begin with – that is, Mr S's missed payment in December 2024 and then an arrangement from January 2025 to May 2025. Lenders consider a wide variety of factors when making their lending decisions. An arrangement is generally viewed as being more positive than missed payments, but an arrangement does indicate an account hasn't been maintained as originally agreed.

### **Putting things right**

Unless they have already done so, to put things right Madison CF UK Limited trading as 118 118 Money must:

- report Mr S's arrangement to pay to the CRAs for January 2025 to May 2025; and
- pay Mr S a further £100 compensation for his distress and inconvenience, making this £200 in total.

### **My final decision**

For the reasons I've outlined, I require Madison CF UK Limited trading as 118 118 Money to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 December 2025.

Clare Burgess-Cade  
**Ombudsman**