

## **The complaint**

Mr A and Mrs B complain that Aldermore sent them arrears letters and recorded late payments on their credit file despite them making payments in full.

Mr A and Mrs B ask that Aldermore removes all incorrectly reported missed payments, apologises, reviews its complaint handling process, pays compensation that reflects the impact of the errors, and gives assurance that no further errors will occur (and pays double compensation for any recurrence).

## **What happened**

Mr A and Mrs B pay their mortgage by bank transfer. They say they always make the payment before the end of the month, so can't understand why they receive arrears letters.

Aldermore says arrears letters are automatically generated because Mr A and Mrs B's payments aren't received into the mortgage account by the due date. It says it has to process and allocate the payments to the mortgage account, which takes time.

Aldermore said it recorded a late payment for March 2025 incorrectly and provided poor service on a call. It paid £175 for the upset this caused, and a further £5 for an administrative error. Aldermore said it would correct the credit report.

Our investigator said Aldermore didn't make an error in allocating Mr A and Mrs B's payments or in issuing the arrears letters. But it shouldn't have reported any late payments to the credit reference agencies as Mr A and Mrs B made payments before the end of the month in which they're due. Our investigator said this had caused Mr A and Mrs B distress and disruption over time. He said Aldermore should pay £350 compensation (in total).

Our investigator said we can't look into a new complaint raised by Mr A and Mrs B about changes to their contractual monthly payments, as this hadn't been raised with Aldermore.

Aldermore didn't agree. It provided evidence that no further adverse data was reported for Mr A and Mrs B's mortgage.

## **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.

Mr A and Mrs B make their mortgage payments by bank transfer before the end of the calendar month. Aldermore says the process to allocate the payments to the mortgage account can take a few days. As a result, Mr A and Mrs B's payments are not always allocated to their account before the due date. Aldermore says this means arrears letters will sometimes be generated – this is an automatic process.

The intention of the arrears letters is to remind the account holder to make the payment if they haven't already done so, or to get in touch with Aldermore if they are unable to make the payment. I don't think I can fairly require Aldermore not to send these letters to Mr A and

Mrs B. If it suppresses the letters and Mr A and Mrs B do miss a payment they wouldn't be told about this.

Mrs B told us they prefer to pay manually as they split the payment between them and they receive their income at different times in the month. Aldermore agreed to change the payment due date to later in the month. It said Mr A and Mrs B could avoid receiving arrears letters if they pay by direct debit. Mr A and Mrs B could also consider making payments earlier in the month, if they are able to do so.

Aldermore says it incorrectly recorded a missed payment for March 2025. It said it would remove it. It provided evidence it's currently reporting the account as up to date between mid-2023 and September 2025.

Mrs B says Aldermore's repeated errors, lack of communication and failure to rectify matters in a timely manner has caused them distress, disrupted their daily life and affected her ability to work. She says the poor service she received on a call added to her distress.

Mr A and Mrs B ask that Aldermore removes all incorrectly reported missed payments, apologises, reviews its complaint handling process, pays compensation that reflects the impact of the errors, and gives assurance that no further errors will occur (and pays double compensation for any recurrence).

Mr A and Mrs B didn't provide evidence (such as a full credit report) that any further adverse data has been reported by Aldermore, or any problems with their credit scores is solely due to this. Mrs B provided a screen shot of her overall credit score in June 2025. This said her score was fair and down 26 points. This could have been due to the missed payment recorded by Aldermore (which has now been removed). There could be other reasons for Mrs B's credit score changing. The screen shot isn't evidence that Aldermore recorded further adverse data. Mr A and Mrs B haven't provided evidence that the recording of the missed payment had a financial impact – for instance that they had credit applications declined.

Complaint handling isn't a regulated activity, which means we can't always look into it. I can't fairly require Aldermore to review or change its complaint handling processes. But I do think Aldermore could have sorted matters out – in particular the removal of the late payment – sooner if it had dealt with Mr A and Mrs B's complaint better from the outset.

Mrs B says Aldermore shouldn't have paid compensation without her consent. Mr A and Mrs B still had the right to bring their complaint to us regardless of the compensation being paid, and we can require Aldermore to pay further compensation if we consider it fair and reasonable to do so. I don't think receiving the compensation had an impact on Mr A and Mrs B that would make it fair to require Aldermore to pay further compensation.

Mrs B asked that Aldermore issue a formal apology. I don't think there's much value in a forced apology, so I'm not requiring this. Similarly, I don't think there's any merit in requiring Aldermore to give an assurance it won't make further errors – the nature of mistakes is that they aren't intentional. If it does make further errors any compensation would be assessed on the basis of what's fair and reasonable in the circumstances.

When we resolve complaints we do so on the basis of what's fair and reasonable in the particular circumstances. An error can affect people differently. The main error here was the recording of the missed payment in April 2025 (for the payment due in March 2025) which Aldermore agreed to remove at the end of May 2025. This is a relatively short period.

However, I've taken into account what Mrs B has said about how this affected them and her

work. I can understand that discovering Aldermore had recorded a missed payment was upsetting and worrying. Mrs B says the poor service she experienced on a call in May 2025 added to her distress. Taking all of this into account, I think £350 (in total) is fair and reasonable in the circumstances.

There has been a small increase (of about £1.20) in Mr A and Mrs B's contractual monthly payment (CMP) since late 2024. They don't understand why this is as they have a fixed rate product. As this wasn't part of the complaint they raised with Aldermore and brought to us, I can't fairly look into it here. If they haven't already done so, Mr A and Mrs B should ask Aldermore to explain the change in the CMP.

### **My final decision**

My decision is that Aldermore Bank Plc should pay £350 (in total) to Mr A and Mrs B. It can deduct any compensation it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs B to accept or reject my decision before 10 December 2025.

Ruth Stevenson  
**Ombudsman**