

The complaint

Miss M complains about the information MARKS AND SPENCER FINANCIAL SERVICES PLC (MASFS) are reporting on her credit file in relation to a credit card account she has with it.

What happened

In 2023, Miss M got into difficulties repaying her debts. She says she missed payments to her credit card account with MASFS; and following this, went on a debt management plan (DMP) to repay her debts in a more affordable way. Miss M says that MASFS continued to report the overdue payments to the credit reference agencies (CRA's).

Miss M adds that despite her paying more than the minimum payment each month, MASFS has reported that she has missed payments – and no other credit card providers have recorded her accounts in this way. She adds that since she went on the DMP, she hasn't missed a payment, and she has paid MASFS more than the minimum amount due.

MASFS responded to Miss M's complaint, but it didn't uphold her concerns. It said that in August 2024, it sent the debt charity supporting Miss M a note to let it know that the amount she was paying under the DMP was now more than her monthly contractual repayment (MCP). This meant that her account could have been eligible for a contractual payment concession (CPC). It explained that a CPC is where three payments are made of the MCP. And after three qualifying payments, Miss M's account would have been considered up to date and would be reported as such to the CRA's. It explained that interest and charges would be waived while the qualifying payments were made and previous arrears are cleared. After the qualifying payments period had ended, Miss M could continue with the MCP, which would also mean that interest and charges would be applied to the account as normal, and the credit limit would be reduced. MASFS acknowledged that Miss M had said she wanted to continue with her DMP, which she was entitled to do. But this would mean that arrears and the DMP would still be reported on her credit file. It felt that the information it was reporting was accurate.

An Investigator considered the evidence provided by both parties, but they didn't uphold Miss M's complaint. Ultimately, they felt MASFS were accurately reporting to the CRA's – and that the monthly 'missed payments' that were being reported were the arrears that had built up on the account from before and during the DMP.

Miss M didn't agree with the Investigator's view. She felt the Investigator had provided incorrect information in the view – mainly as to when the DMP commenced, and around why she couldn't enter into a CPC. She added that she has always made the minimum payment due since she started the DMP.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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.

Having considered all of the available evidence, I don't uphold Miss M's complaint. I appreciate this decision will come as a disappointment to her, as I can see how strongly she feels about what's happened. However, I will explain how I have reached my outcome below.

Before I do that, I want to make it clear that I have read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint. I say this, as I'm aware I have summarised Miss M's complaint in less detail than she has.

MASFS is required to report fair and accurate information to the CRA's. The guidance I have considered when deciding this case is set out by the Information Commissioner's Office (see ICO publication 'Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies' (Version 2a Published July 2016 (updated to refer to GDPR and DPA 2018))).

Ultimately, this guidance explains how accounts in arrears should be reported – this includes where repayments have been missed, repayments are less than the contractual amount due and where a customer is in a DMP as is the case here. I've considered this guidance to be particularly important in deciding this case.

All parties appear to accept that Miss M missed payments before she started making repayments under the DMP. From what I can see looking at Miss M's statements, there was one payment that was missed – which was the repayment due in August 2023. And I can see that MASFS has reported this to the CRA's as I would have expected it to.

From reviewing Miss M's statements, it appears that repayments under the DMP started being received in September 2023 – for £76.36 per month. And at this time, and for the months following this, the repayments were less than the MCP due, which meant that arrears continued to build on the account. I understand that Miss M believes that she always made at least the MCP to MASFS, but the information I've seen from the statements doesn't show this and instead shows that Miss M was making payments for less than the MCP. Which means that MASFS would report the increasing arrears on her account.

MASFS are required to report arrears in status codes. These usually range from "1" to "6" and are reflective of the number of months in arrears the account is. The status codes can go up and down depending on whether the arrears increase or decrease.

Reviewing what MASFS recorded with the CRA's, I can see that while Miss M was making repayments of £76.36, the arrears continued to build on her account. I can see that in August 2023, MASFS reported a "1" to reflect that one payment had been missed. Then in September 2023, it reported a "2" to show that the account had fallen into two months' worth of arrears – because even while Miss M made a payment, it didn't meet the MCP, and so arrears continued to build. In October 2023, again, MASFS reported a "2", which reflected she had made a payment, but she was still in two months' worth of arrears (because the arrears hadn't by this point built up enough for her to be in three months' worth of arrears).

This reporting is reflective of the guidance I have mentioned above, and so I'm satisfied that for this period, MASFS were reporting arrears as it should have done.

In August 2024, Miss M started paying more each month to MASFS under the DMP. I can see from her July 2024 statement, that the MCP due was £78.30 and MASFS received a repayment of £81.54 from Miss M. This was the first time that the MCP had been met since Miss M entered the DMP. At this stage, Miss M was making the MCP due, but arrears had built up on the account which MASFS were required to continue to report each month. So even while Miss M was meeting the MCP, MASFS continued to report that the account was in arrears as it was required to. However, any repayments over and above the MCP were used to reduce the arrears balance, which I can see MASFS is also reporting to the CRA's – this is reflective in the status codes MASFS has reported for the months in arrears – and instead of the status codes increasing as it did when Miss M didn't make the MCP, it started to reduce as she paid off the arrears. Again, this is reflective of how the arrears should be reported in the guidance I've previously referred to.

I can see from some of the information provided by Miss M, that the CRA has reported the payments as "missed". It is up to the CRA how it chooses to display the information and what words to use. I'm satisfied that MASFS isn't reporting the payments as being 'missed'; but it is reporting when arrears increase or decrease. And I can see that it is reporting that Miss M is in a DMP, and it is reporting the amount she is paying each month. All of this is what I would expect it to be showing, and so I haven't found that it has done anything wrong in how it has reported Miss M's account to the CRA's.

I note that MASFS did give Miss M the option of entering a CPC, which would clear the arrears on the account quicker, but would also mean that she would be required to pay interest again. Miss M says that she couldn't accept the CPC because of the way the DMP works. I make no finding here on the mechanics of Miss M's DMP, and how this is supposed to work. But I am satisfied that MASFS did provide Miss M with a fair and reasonable option to have the arrears removed quicker. I accept that Miss M might not have been able to take this option as a result of her DMP; but I can't fairly conclude that this was as a result of something MASFS did wrong. MASFS also weren't required to offer Miss M an option that meant she could continue to not pay interest. I think its actions here have been fair and reasonable.

Overall, I'm satisfied that MASFS are reporting accurately to the CRA's. And I'm satisfied that it has offered Miss M an alternative to clear the arrears quicker. The result of all of this is that I don't uphold her complaint.

My final decision

For the reasons set out above, I don't uphold Miss M's complaint.

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

Sophie Wilkinson
Ombudsman