

The complaint

Mr S is unhappy with how Admiral Financial Services Limited, trading as Admiral Money ('Admiral') have engaged with him about his fixed sum loan agreement.

What happened

Mr S arranged his loan in August 2019 for £7,000 over 60 months with a monthly payment of £168.85, but due to personal reasons he started to encounter some difficulties with managing the loan account from early 2021.

Various communications followed between Mr S and Admiral over the next few years during which Mr S shared personal and financial difficulties he was experiencing, and during which different repayment plans were put in place.

In early February 2025 Admiral issued a Notice of Default, and around March / April 2025 the loan account was reported as defaulted to the credit reference agencies (CRAs).

Mr S complained to Admiral that they had not given proper consideration to his personal circumstances, in particular the troubles with his health and said Admiral were unfair to report the account as defaulted.

Admiral concluded they had not done anything wrong, but said they would backdate the start of the default being reported to November 2021 when Mr S had first reached the requisite number of arrears for the account to be defaulted.

Our Investigator reviewed Mr S's complaint and did not uphold it as they felt, in the circumstances, that Admiral had acted fairly.

Mr S disagreed with the Investigator. Mr S stressed that his long-term and ongoing health difficulties had affected his ability to be able to manage his financial commitments, and that Admiral had not done enough to support him as a vulnerable customer.

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 only included a summary of what's happened above, and while I may not respond to every point each party has raised, I have reviewed all the submissions available and focused on what I consider relevant to reaching a fair and reasonable resolution in this matter.

To reach a fair and reasonable decision I have taken into account any relevant law and regulations, 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.

It is not my role to fine or punish a firm, or to interfere with a firm's systems, processes or controls – these are all considerations for the appropriate regulator. It is also not for me to

say if a law (such as the Equality Act 2010) has been breached – only a court can decide that.

While Mr S expressed some concerns about a phone call he had with Admiral, Mr S's submissions indicate his complaint centres around the default that has been reported against his account. This is what I've considered.

The Information Commissioner's Office (ICO) sets out principles for the reporting of arrears and defaults. The ICO's principles explain if the expected payment is not made by the agreed time and / or for the agreed amount according to the terms and conditions of the account, then the account can be reported as being in arrears. The ICO's principles set out a default may be recorded when the account is three months in arrears and normally by the time the account is six months in arrears.

Mr S's loan matured in August 2024 with an outstanding balance, so when Admiral issued the Notice of Default in February 2025 they were entitled to do so, and as the balance had not been cleared and totalled more than three months in arrears they were entitled to report the account as defaulted.

In the circumstances and in line with industry expectations I think it reasonable to say Admiral were entitled to report Mr S's account as defaulted to the CRAs. I've also considered whether, in the circumstances, this was a fair thing for Admiral to do.

The Financial Conduct Authority's (FCA) handbook includes rules and guidance for firms when dealing with customers in or approaching arrears or in default, and sets out that firms must treat customers approaching arrears or in default fairly, with forbearance and due consideration, taking into account the individual circumstances of the customer. This sits alongside the FCA's guidance to firms on the fair treatment of vulnerable customers.

I am sorry to learn of the difficulties Mr S has faced over the last few years, and that these challenges are something Mr S is continuing to manage on a day-to-day basis. Having reviewed the submissions Mr S has provided about his personal and financial circumstances, I think it is fair to say the FCA's guidance would recognise Mr S's circumstances as vulnerable.

However, I have found no prescribed way in which Admiral had to act with regards to Mr S's circumstances – so I've not found anything that would prevent Admiral from being able to report Mr S's account as defaulted, or that Admiral were under any obligation to write-off Mr S's debt due to his circumstances.

I've considered what Admiral did do to see if they treated Mr S fairly in the circumstances.

The evidence and submissions show Admiral engaged with Mr S to set up repayment plans for him, but it may help Mr S to know that to set up a repayment plan Admiral had a responsibility to ensure that any repayment plan agreed was sustainable. So a repayment plan was not something that Admiral had to agree to if they did not think it would be the right thing to do for their customer's circumstances.

On several occasions across the years Mr S was asked to complete budget planners so that Admiral could check a repayment plan was sustainable for him. And on several occasions it is apparent that Mr S asked Admiral for more time to be able to complete the forms when he was sent them at different times, which Admiral agreed to. Repayment plans were agreed on more than one occasion with Mr S, but around May 2024 the updated budget planner showed there was not enough income for Admiral to agree a plan and they urged Mr S to seek independent financial / debt advice.

During the various communications which followed May 2024, Mr S was made aware of what could happen to his account - that it could be reported as defaulted and that it could be passed to a debt collection agency. Admiral also contacted Mr S after periods of time (when there had been no contact from Mr S) to see if his circumstances had changed, letting him know an updated budget planner was required. And they sign-posted him to other organisations for support.

Mr S's account matured in August 2024 with an outstanding balance and arrears (totalling over £4,000) and no payments were made to the account until March 2025 when Mr S paid £50 (after the Notice of Default had been sent in February 2025). The budget planner which was completed after the default had been reported still showed Admiral they were unable to put a repayment plan in place for Mr S at that time as it would not be sustainable for him.

I realise Mr S will be disappointed with my findings, but overall I've not seen enough to persuade me that Admiral have acted unfairly towards Mr S. They have arranged repayment plans where they considered them to be sustainable for Mr S; given him time to complete budget planners; let him know they were unable to agree a medical write-off, but would consider this again with further medical evidence; frozen interest; used communication channels Mr S was comfortable with, and let Mr S know what they required if he wished for another person to have authority on his account to help him. They also sign-posted him to other organisations for support.

Admiral could have reported Mr S's account as defaulted in November 2021, but they did not do so at the time and engaged with Mr S over the following years to see if there were plans they could put in place, and a default was therefore not reported until March / April 2025.

In the circumstances I think Admiral acted reasonably to allow Mr S opportunities to prevent a default and support him in putting together a sustainable plan – which, after some time, it became apparent that this was no longer something Admiral were able to do.

Admiral have backdated Mr S's default to November 2021 and in the circumstances I consider this fair. Doing this has greatly reduced the time a default will be reported on Mr S's credit file.

I recognise Mr S's circumstances are not easy for him and my findings here are not to be dismissive of what he has shared about the challenges he faces. My role is to consider what is fair and reasonable to both parties, and overall I've not seen enough to persuade me that Admiral were unfair to report the default when they initially did and they were entitled to do so. I think their decision to backdate the default for Mr S is fair in the circumstances and so I'm not going to ask them to do any more.

Mr S still has an outstanding sum to repay Admiral, and it is clear Mr S acknowledges this and wishes to take steps to clear it. Mr S will need to engage with Admiral's debt collection agency to do this, and I remind Admiral and their representatives of their obligations to treat Mr S fairly, with forbearance and due consideration going forward.

My final decision

For the reasons above, my final decision is that I do not uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 December 2025.

**Kristina Mathews
Ombudsman**