

The complaint

Mr F complains that PayPal UK Ltd has unfairly reported negative information to the credit reference agencies (“CRA’s”) in relation to a credit account he has with it.

What happened

Mr F has a credit account with PayPal. He had a payment due on 19 June 2023, however, he was late making the repayment, and the payment was made on 5 July 2023 – 16 days late.

Mr F says that under the UK credit reporting standards, a late payment should not be reported to the CRA’s unless it is 30 days or more past the due date. However, despite this, PayPal has reported a late payment to the CRA’s.

Mr F adds that the result of all of this is that his credit score has been harmed, which has resulted in him being offered worse terms for credit.

PayPal responded to Mr F’s complaint, but it didn’t think it had done anything wrong in reporting Mr F had made a payment late – and it explained why.

Mr F provided further context to our Investigator. He said the reason his payment was late was because there was an issue with the card stored on his PayPal account – the card had expired and the payment didn’t go through. He said he acted as soon as he became aware of the issue. At the time, he said he thought lenders reported late payments once they’re at least one full month overdue, but he now realises this isn’t always the case. But he states he genuinely believed he had 30 days to resolve the issue before his credit file would be impacted. He said that he doesn’t remember receiving an email sent to him by PayPal on 21 June 2025 – letting him know a payment had been missed. He believes that PayPal’s reporting of the late payment is disproportionate and should be removed.

An Investigator considered the information provided by both parties, but they didn’t uphold Mr F’s complaint. They said that it was reasonable of PayPal to have reported that Mr F was late in making repayment, because the minimum amount due wasn’t paid by the payment due date – the Investigator also explained that this formed part of the agreement he has with PayPal. Therefore, the Investigator didn’t require PayPal to remove the reporting.

Mr F didn’t agree with the Investigator’s view, I have summarised his main points below:

- He didn’t refuse or neglect to make the payment – the issue was due to his card expiring
- The payment was only 16 days late and so it is disproportionate to record this with the CRA’s where this will be on his credit file for six years.
- He didn’t receive the email from PayPal on 21 June 2025 – this could have gone into his spam folder, and so he didn’t know the urgency of the matter.
- He thought he had 30 days to rectify the matter.

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 Mr F's complaint.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr F's complaint in less detail than he has. 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.

PayPal is required to report accurate information to the CRA's about how someone has managed their account. In this case, Mr F's contractual minimum repayment of £23.55 was due on 19 June 2025. PayPal didn't receive a payment from Mr F until 5 July 2025. Therefore, Mr F's repayment was late, and I'm satisfied that it was fair and importantly accurate to record this as such with the CRA's. This, in my view, isn't disproportionate, but an accurate reflection of how the account has been managed.

I understand that the issue stemmed from Mr F's card having expired. But it is ultimately up to Mr F to ensure that the minimum repayment is made by the payment due date. I can also see that PayPal contacted Mr F by email on 21 June 2025. This let him know that he had missed a payment and that missed or late repayments incur a fee and are reported to the CRA's. I understand Mr F didn't get this email, but I'm required to decide if PayPal has done anything wrong. I'm satisfied that it did enough to contact Mr F about the late payment and let him know the consequences of such. I'm also satisfied that the email was sent to Mr F. While I accept that the email might have gone into Mr F's spam folder, which meant he didn't see it, I can't fairly hold PayPal responsible for this.

I note Mr F says he thought he had 30 days to make a payment. But I haven't seen that this understanding has come from anything PayPal explained to him. As I've said, PayPal explained to Mr F on 21 June 2025, that his credit file could be impacted by a late payment. And given that his repayment was made after the payment due date, I'm not persuaded that PayPal has acted unfairly by reporting the payment as having been made late.

My final decision

For the reasons set out above, I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 March 2026.

Sophie Wilkinson
Ombudsman