

## **The complaint**

Miss B complains that Marsh Finance Limited (Marsh) has unfairly reported missed payments on her credit file following a payment break.

## **What happened**

In August 2020, Miss B acquired a used car through a hire purchase agreement with Marsh. The cash price of the car and amount of credit was for £7,680 and the duration of the agreement was 59 months; with 58 monthly payments of £200.57 and a final payment of £210.57.

In April 2021, Miss B contacted Marsh to request a payment break following reduced income due to the Covid-19 pandemic. Marsh asked Miss B to complete an income and expenditure assessment, after which it agreed to a two-month payment break. Miss B said she wasn't told she'd need to repay the missed payments before the end of the agreement, or that it would impact her credit file. Following the payment break she maintained her full monthly payments, and from December 2021 she paid an additional £10 a month after receiving calls from Marsh about repayment of the arrears.

In February 2025, Miss B checked her credit file and found Marsh had reported missed payments from April 2021 to September 2023. She complained to Marsh that it had unfairly reported missed payments when she'd in fact been overpaying her contractual monthly payments. In its final response, Marsh said Miss B's account was in arrears from April 2021 and therefore it had correctly reported missed payments markers to the credit reference agencies (CRAs).

Still unhappy, Miss B referred her complaint to this Service. She said her account remained in arrears beyond October 2023, after which all of her payments have been reported as paid on time – so she didn't understand why they would be reported as missed before then. And the way in which Marsh has reported her payment history appears as though she didn't make payments for around two and a half years, when she was actually paying extra after missing only two payments.

Our Investigator reviewed matters and was satisfied Marsh had informed her the arrears would need to be repaid and would reflect on her credit file. However, they found Marsh's reporting of Miss B's missed payments to be inconsistent and not an accurate reflection of the payment history on her account. And it should've reported her arrangement to pay from December 2021 onwards. So, they said it should now ensure its reporting is consistent with the activity on Miss B's account across all CRAs it reports to, and ensure it is clear the agreement was subject to special terms due to the arrangement to pay.

Miss B accepted the Investigator's findings, but Marsh didn't respond. So, the matter was passed to me to decide.

I contacted Marsh giving it a further opportunity to review the Investigator's findings and confirm if it would agree to their recommendations. Marsh responded reiterating that it considered the credit file data had been reported accurately, fairly and in line with relevant

regulatory guidance – and there was no evidence that the data supplied to credit reference agencies is inaccurate or unfair.

### **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.

In considering what is fair and reasonable, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.

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. If I've not reflected on 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 reasonable outcome is. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

Miss B accepted our Investigators findings, which included the advice she received when Marsh agreed to the payment break. And having reviewed Marsh's internal contact records, I'm satisfied Miss B was advised she'd need to repay the arrears, and this would be reported on her credit file. As this hasn't been disputed by Miss B, I won't comment on this point further within this decision. What remains in dispute here is how Marsh should've reported Miss B's accounts to the CRAs once she resumed her payments – so this is what I've thought about.

Miss B has provided screenshots from third party online platforms that provide an overview of information reported via CRAs. It's important to note these companies are not themselves CRAs, and therefore the way in which they report the information can vary from what is actually reported by each CRA. And I haven't seen a copy of Miss B's actual credit reports held by the two CRAs displayed on the online platforms Miss B has referred to – so I can't say for certain what these would show.

However, as our Investigator has set out to Marsh, both online platforms highlight multiple inconsistencies in the reporting – so they provided it with an opportunity to review this and clarify what has been reported and why. Marsh didn't provide the requested information, so I must decide, on balance, what I think is more likely than not based on the evidence available.

Marsh has repeatedly maintained that where an account is in arrears, missed payment markers will be reported to CRAs until the account is back up to date. But this isn't what is being disputed here – rather the inconsistency in what has been reported and the absence of reporting of her arrangement to pay.

Our Investigator has clearly set out to both parties what is displaying on both online platforms for the period in question. So, I don't find it necessary to repeat this here. To summarise, both show sporadic, although differing, months between April 2021 and September 2023 where the monthly payment has sometimes been reported as being made on time – with the remainder showing as missed. And neither show any record of a payment arrangement, despite one clearly showing this as an option.

So, based on the above, and in the absence of any evidence to suggest otherwise, I'm persuaded it's more likely than not Marsh's reporting of Miss B's payment history has been

inconsistent across the different CRAs it reports to – and also not a true reflection of the payment history on Miss B's account.

I've carefully considered how Miss B's account should've been reported throughout this time, and I'm satisfied it's reasonable to report her payments as missed from April 2021 to November 2021 – before the payment arrangement was implemented. Miss B didn't make any payment in April and May 2021, and while she paid her full monthly contractual payments from June to November 2021 – these weren't sufficient to bring the account up to date.

However, The Information Commissioner's Office (ICO) published guidance setting out the principles under which information about arrears, arrangements and defaults are filed with CRAs. Of particular relevance in this case, is the guidance relating to payment arrangements, which includes where a customer has agreed with the lender to make overpayments to clear historic arrears. This says that arrears may continue to be reported, but the record must show that the account is the subject of special terms.

Based on the above, I'm satisfied Marsh should've been reporting Miss B's account as in an arrangement to pay from December 2021 onwards – rather than missed payments as the available evidence shows.

I note from October 2023 onwards, Marsh has reported all payments as being made on time, even though the account was still in arrears. Marsh hasn't confirmed the reason for this. However, within the same guidance mentioned above, the ICO refers to a lender being able to set the account to zero following a satisfactory period of payments under a temporary arrangement. So, the Investigator assumed this was the reason for the change in reporting. While Marsh hasn't confirmed this to be the case, it also hasn't disputed this. And having considered the overall payment history on Miss B's account, I don't find this to be unreasonable.

### **Putting things right**

Marsh is required to supply accurate data to CRAs and, for the reasons I've explained above, I'm not persuaded it has done so here. So, to put things right, Marsh should now ensure Miss B's payment history is consistently reported to all CRAs it reports to. For clarity, on Miss B's account, Marsh should be reporting to the CRAs:

- Missed payments/arrears from April 2021 to November 2021.
- An arrangement to pay from December 2021 to September 2023 – Marsh may also report the arrears amount throughout this period - but not missed payments.

Miss B should be aware different CRAs will display information differently. So, if she accepts the outcome of this decision, and is then unhappy with how the CRAs are displaying it, she can contact them.

### **My final decision**

For the reasons explained, I uphold Miss B's complaint about Marsh Financial Limited and direct it to ensure her payment history is reported in accordance with what I've set out above, to all CRAs it reports to.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 1 April 2026.

Nicola Bastin  
**Ombudsman**