

## The complaint

Mr P complains that Capital One (Europe) plc recorded missed payments on his credit file when he was in a payment plan.

## What happened

Mr P says that he entered into payment plans with Capital One in August 2024 to pay off outstanding credit card balances on his Capital One card and his Post Office card. He says that, despite making the requisite payments, Capital One reported missed payments to the credit reference agencies. Mr P says that he has now completed the payment plan but his credit file has been adversely affected and he's been attempting to improve his credit score. He adds that Capital One did not explain the impact the payment plan would have and, if it had done so, he would have paid more to address it.

Capital One says that Mr P called on 16 August 2024 to set up repayment plans. It says that, when he asked about the impact on his credit file, he was told that the payment plans would be reflected on his credit file, and missed payments would be shown whilst he was paying less than the minimum contractual amount and the accounts remained in arrears. Capital One says that the late markers were added correctly and so it is unable to remove them.

Our investigator recommended that the complaint should be upheld. She didn't find that the call, or the associated letters, clearly explained to Mr P that late payments would be reported whilst he was in a payment plan. Instead, she considered that Mr P's credit file should be amended to show that he was in an arrangement as advised in the letters he'd received.

Capital One responded to say, in summary, that the agent correctly advised Mr P that missed payments would still be reported if the accounts remained in arrears. It said that, although the letter advised that missed payments towards the plan would get reported, this doesn't supersede what Mr P was told about the arrears during the call.

## 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 listened to the call on 16 August 2024 and after each plan was set up Mr P was told that the plan would show on his credit file. At the end of the call Mr P was then asked whether he had any questions to which he replied, "*Will it impact my credit score?*"

The agent then replies as follows: "*With the payment plans it is going to be shown on your credit files that you are on a payment plan. Whilst you are behind, it is going to be shown as a missed payment because you aren't caught up...*"

Mr P then says, *“That makes perfect sense”*.

The call is then followed by letters about the payment plans which say:

***What happens if I miss my payment?***

*If you miss a plan payment, your plan will be cancelled and you'll need to get back in touch. Your missed payment will also be reported on your credit file.*

***Will the Payment Plan show on my credit file?***

*Your Payment Plan will show on your credit file as an arrangement and will also show that you're working with us.*

Mr P's statements show that his last successful payments to the credit cards were at the end of January / beginning of February 2025. At the time of the call, he was over both his credit limits and the statements show the minimum payment requirements were £217.69 and £146.62 respectively. Capital One has explained that the credit file was correctly showing missed payments because the payments being made by Mr P were less than contractual payments and, therefore, the accounts remained in arrears.

So, whilst I acknowledge that Mr P was told about the reporting of missed payments in response to his question, I'm not satisfied that the written documentation makes the impact on his credit file sufficiently clear. I say that because the only reference to missed payments on the credit file is with regard to missing plan payments. In addition, I acknowledge that Mr P told the agent during the call that he had a learning disability that affected the processing of information. Without added clarity from the letters, it wouldn't be unreasonable for Mr P to believe that the agent was referring to being behind with the plan.

Mr P has also told this service that he would have made additional payments had he fully understood the impact of the plans. During the call Mr P agreed to pay more than the minimum required and the financial review showed that his disposable income was more than double the initial contractual minimum repayments. Mr P was evidently very keen to minimise the impact on his credit file and so I have no reason to doubt him when he says he would have paid more to avoid the reporting of missed payments.

Capital One has sent a copy of the information it sent to the credit reference agencies, and it shows that it reported Mr P's *“account status”* as in an arrangement, but that his *“payment status”* showed the number of months of arrears. I accept that Capital One says it then has no control of how the credit reference agencies show that data.

I have also seen a copy of Mr P's credit file which shows the accounts being in arrears, but no repayment plan. In the examples Mr P has sent, it appears to be the case that the report is only showing the *“payment status”* information.

## **Putting things right**

Given that I consider Capital One's communications were unclear but reiterated that Mr P's credit file would show that he was in a repayment plan, I think it would be fair and reasonable for this to be the case. I have also given some consideration to Mr P's assertion that he would have made higher repayments if he'd have known his account would otherwise be shown as in arrears. As his income and expenditure assessment during the call showed higher payments would have been affordable, I have no reason to doubt what he says here. So I find that the "*payment status*" markers should also show that Mr P was in a repayment plan, rather than in arrears for:

- August 2024 to December 2024 for Mr P's Capital One card and
- August 2024 to February 2025 for Mr P's Post Office card

## **My final decision**

My decision is that I uphold this complaint. Capital One (Europe) plc should amend Mr P's credit file, as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 23 March 2026.

Amanda Williams  
**Ombudsman**