

## The complaint

Mr C and Ms C complain that OneSavings Bank Plc trading as Kent Reliance unfairly reported adverse data regarding a buy to let mortgage to the credit reference agencies. Mr C and Ms C ask that Kent Reliance removes the adverse data from their credit files.

## What happened

Mr C and Ms C took out a buy to let mortgage with Kent Reliance in 2018. Ms C manages the property. Ms C says there was a problem with the tenants and it took over 12 months to repair the property so that it could be let out again. She says she didn't have rental income for about 18 months.

The account was in arrears from 2022. Kent Reliance offered a lower interest rate and payment arrangements. In late September 2024 Ms C agreed an arrangement with Kent Reliance to repay £150 towards the arrears in addition to the contractual monthly payment. This was extended in November 2024. Ms C says at no point was she told this would affect her credit file.

In addition, Ms C says she agreed with Kent Reliance that she could make payments at the beginning of the month after the month in which they were due. She says she wasn't told Kent Reliance would record missed payments with the credit reference agencies.

Mr C says while he was aware of the arrears in August and September 2024 he thought the situation had been sorted out. He said he wasn't told about the continuing arrears or the payment arrangement or how this would affect his credit file. Mr C says he became aware of the arrears in early 2025, but was unable to get clear information from Kent Reliance so that he could sort the matter out. Mr C made a payment to clear the arrears on 30 April 2025.

Kent Reliance says it made some errors. It said it failed to record a payment arrangement in January 2025. It corrected this. It said because Mr C made the payment to clear the arrears on 30 April 2025 – the same day that the monthly payment was due – part of it was applied as the monthly payment, leaving the account in arrears. Kent Reliance said it should have explained this to Mr C so that he could make the payment earlier. It removed the missed payment for April 2025 and offered £50 compensation to Mr C. It increased this to £300 after the complaint came to us as it had failed to respond to an email from Mr C in February 2025.

Mr C and Ms C ask that the adverse data is removed from their credit files. They say this is preventing them from re-mortgaging. They also ask that Kent Reliance gives them additional time at their existing rate while they refinance.

Our investigator said Kent Reliance told Mr C and Ms C that the arrears and the payment arrangement would be reported to the credit reference agencies. She said Kent Reliance wasn't responsible if letters weren't safely received.

Ms C didn't agree. She says she didn't receive the letters from Kent Reliance.

Mr C didn't agree. He said he was aware of the arrears in August and September 2024.

Mr C said he didn't clear the arrears at that time due to health problems. Mr C says Kent Reliance didn't make him aware that this was an ongoing matter so he didn't have the opportunity to pay the arrears off in late 2024.

Mr C says it's not enough for Kent Reliance to send important information to one account holder only. He said sending two letters within a month isn't reasonable and timely notice that it would report adverse data some months later.

### **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.

Mr C says he's acting as a guarantor. However, the mortgage is in Mr C and Ms C's joint names. That means they are both jointly and severally liable for the debt.

Kent Reliance has to report accurate and up to date information to the credit reference agencies. I think the information it recorded about Ms C and Mr C's account – that it was in arrears of one month and that a payment arrangement was in place – was correct.

Mr C and Ms C say it's unfair for Kent Reliance to record adverse data on their credit files. They say they were not given the information they needed to understand how their credit files might be affected, and the opportunity to take steps to avoid this.

I'll consider the information sent to Ms C and Mr C by Kent Reliance in turn.

#### *The information given to Ms C*

I think Ms C was aware of the arrears and that she'd agreed payment arrangements. Ms C says she thought Kent Reliance wouldn't record this on her credit file because of her exceptional circumstances. Ms C says if she'd known the payment arrangement would impact their credit files she'd have called Mr C immediately.

Kent Reliance wrote to Ms C in August 2024 saying the account was in arrears of about £6,000 (this was more than the monthly payment of about £3,500). This letter said "We will inform the Credit Reference Agencies if the underpayment increases to the equivalent of one month's payment, which may affect your ability to obtain credit in the future".

In September 2024 Mrs C agreed an arrangement with Kent Reliance to pay £150 towards the arrears in addition to the contractual monthly payment.

Kent Reliance wrote to Ms C on 30 September 2024 to confirm the payment arrangement. The letter said "The Credit Reference Agencies were informed when your account fell into arrears. We have updated them to confirm that an arrangement has now been agreed for you to repay the arrears. Not keeping up with payments could impact your credit rating as we are required to inform the Credit Reference Agencies of your level of arrears. Information held on your credit file is available to other lenders and may impact your ability to borrow money in future".

Kent Reliance sent a similar letter – with the same information about reporting to the credit reference agencies – to Ms C when the payment arrangement was extended in November 2024.

Kent Reliance hasn't been able to provide a recording of Ms C's call with it in September 2024, when the payment arrangement was set up, so I couldn't listen to what she was told

about how this would affect her credit file. However, I have enough evidence to reach a fair decision. I think Kent Reliance did make Ms C aware that the arrears and the payment arrangement would be recorded on her credit file in the letters it sent to her. The letters were sent to Ms C at her address in Kent Reliance's records at the date they were sent. I can't fairly say that Kent Reliance is responsible if the letters didn't arrive safely.

#### *The information sent to Mr C*

Mr C says it's not acceptable for Kent Reliance to write to only one account holder. The mortgage terms and conditions say (under the heading "Joint Mortgages") that Kent Reliance "may give any information about the Account, the Loan or the Mortgage Contract to any or all of you." The mortgage terms and conditions also say that Kent Reliance "will send correspondence relating to the Loan and the Mortgage Contract, and any statements relating to the Account, to the first address listed for the Account."

Kent Reliance says it sent statements and arrears letters to both Ms C and Mr C. This is consistent with the copy statements and letters it provided.

It seems Kent Reliance sent letters confirming the payment arrangement to Ms C only. It was entitled to do so under the mortgage terms and conditions. Given that Ms C set up the arrangement and was making the payments I don't think this was unfair. And I think Kent Reliance did make Mr C aware that the account was in arrears and this could affect his credit file.

Kent Reliance wrote to Mr C in August 2024 saying the account was in arrears of about £6,000 (this was more than the monthly payment of about £3,500). This letter said "We will inform the Credit Reference Agencies if the underpayment increases to the equivalent of one month's payment, which may affect your ability to obtain credit in the future".

Mr C says he received two letters from Kent Reliance in September 2024. The first, dated 5 September 2024 set out the arrears. This letter said "We will inform the Credit Reference Agencies of the level of arrears, which may affect your ability to obtain credit in the future".

I think Kent Reliance informed Mr C that the mortgage arrears would be reported to the credit reference agencies. It didn't need to send further letters repeating this. Kent Reliance wrote to Mr C in February 2025 and this letter said the account was in arrears.

Mr C says he didn't deal with the arrears in August and September 2024 due to ill health. He says he didn't know the situation with the arrears was ongoing after this. He didn't know about the payment arrangement or that this would be reported to the credit reference agencies.

Kent Reliance says it stopped sending letters about the arrears when the payment arrangement was agreed. The only exception was in February 2025, when it wrote to Ms C and Mr C about a missed payment. I think that's fair. I wouldn't expect Kent Reliance to send arrears letters when a payment arrangement is in place and being adhered to.

I appreciate that Mr C wasn't managing the mortgage and might not have been aware that Ms C had contacted Kent Reliance to set up a payment arrangement. But I can't fairly agree that he wasn't given the opportunity to clear the arrears in late 2024. If Mr C was unsure whether the arrears had been dealt with – or wanted to check what had happened – he could have asked Kent Reliance or Ms C.

Mr C emailed Kent Reliance in February 2025 after seeing an arrears marker on his credit file, which he thought was an error. He says he didn't get a response and that meant he was

unable to deal with the arrears. I can't fairly agree with that. Kent Reliance had sent letters to Mr C in September 2024 and in February 2025 setting out the arrears. So I think it made Mr C aware that the account was in arrears. While Kent Reliance accepts it should have replied to Mr C's email, its failure to do so didn't stop him contacting it to clear the arrears if that's what he wanted to do.

There was a further problem when Mr C made a payment to clear the arrears in late April 2025, as part of the payment was allocated as the contractual monthly payment.

Kent Reliance says it made some errors. It failed to record a payment arrangement in January 2025. It corrected this. It said because Mr C made the payment to clear the arrears on 30 April 2025 – the same day that the monthly payment was due – part of it was applied as the monthly payment, leaving the account in arrears. Kent Reliance said it should have explained this to Mr C so that he could make the payment earlier. It removed the adverse data recorded for April 2025 and offered £50 compensation to Mr C.

After the complaint came to us, Kent Reliance found the email Mr C sent in February 2025. It accepts that it didn't respond to the email, which was sent to a member of the complaints team dealing with a previous complaint. Kent Reliance offered to pay £250 to Mr C for this (taking the total compensation to £300). I think this is fair.

I need to take into account that this is a buy to let mortgage. Rules on mortgage regulation don't apply to buy to let mortgages in the same way as for regulated mortgages. Buy to let mortgages are taken out as part of the business of letting property, and it's reasonable for Kent Reliance to expect Ms C and Mr C to manage the mortgage accordingly.

I think Kent Reliance's offer to put things right is fair and reasonable in the circumstances. I don't think it's fair and reasonable to require Kent Reliance to remove the adverse data from Ms C and Mr C's credit files, or to apply a lower interest rate while they re-mortgage.

### **My final decision**

My decision is that OneSavings Bank Plc trading as Kent Reliance should pay £300 to Mr C (in total) as it offered to do. It can deduct any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Ms C to accept or reject my decision before 30 December 2025.

Ruth Stevenson  
**Ombudsman**