

The complaint

Miss S complains about adverse information reported to her credit file in relation to an agreement she held with EUI Limited trading as Admiral (“Admiral”).

What happened

In January 2024, Miss S took out an insurance product with a third-party insurance provider. To pay for the insurance product, Miss S took out a fixed sum loan agreement with Admiral, to pay for it in instalments, rather than in a lump sum.

Miss S missed her February and March 2024 repayments, which led to an outstanding balance owed. This was then paid in April 2024. A few days later, the scheduled April 2024 repayment was missed and paid in May 2024.

The May and June 2024 repayments under the account were also missed and letters were sent to Miss S in relation to them.

Miss S said adverse information was reported to her credit file and that she wasn’t aware this would happen. Miss S said her arrears was passed on to a third-party and so she complained to Admiral.

Admiral issued their final response to Miss S in August 2025. They partly upheld Miss S’s complaint and paid her £130 for the distress and inconvenience caused. The payment was because they only posted the notice of termination to her address in June 2024, rather than emailing her as well. Admiral didn’t think they did anything wrong in relation to cancelling the agreement in June 2024 as they said they had sent the relevant default notice to Miss S in May 2024 and didn’t receive any communication from her following it.

Miss S remained unhappy as she wanted adverse information removed from her credit file. And so, she referred her complaint to our service in August 2025.

During our investigation, Admiral made an offer to Miss S of £170 for the distress and inconvenience caused – so £300 in total, including the amount they had already given her. They say this was because they thought they should have sent account letters by post and email, but some were only sent by one method due to a system issue at the time.

An investigator communicated the additional offer to Miss S, who rejected it. And so, our service went on to consider the complaint.

An investigator issued their view where they explained that Admiral’s offer was fair in the circumstances and also thought a default reported in September 2024 needed to be backdated to June 2024.

Miss S disagreed with the investigator’s findings and thought the default should be removed rather than backdated. Among other things, she said that she hadn’t missed three payments in a row while the account was active. The investigator went on to explain that the account wasn’t brought up to date by September 2024, when the default was reported. And the

account was more than three months in arrears at that point and so couldn't reasonably say no default should have been reported.

Admiral also partly disagreed with the investigator's outcome as they didn't think the default needed to be backdated.

As both parties disagreed with the outcome reached, the complaint has been passed to me to decide.

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 done so, I'm upholding this complaint and I'll explain why below.

Miss S complains about a fixed sum loan agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity. So, I'm satisfied I can consider Miss S's complaint about Admiral.

Firstly, I've considered if it was fair for Admiral to terminate the agreement Miss S took out with them. And in order to do that, I've looked at the terms of the agreement. The agreement explains that payments were due by direct debit on scheduled days. The agreement also said:

“Missing payment could have severe consequences such as:

- i. We may cancel your insurance policy and use any refund of premium to repay the amount you owe us*
- ii. We may report your defaults with credit reference agencies which will make obtaining credit in future more difficult*

I think the terms and conditions are clear in setting out what will happen if scheduled repayments are missed. And in this instance, there was history of missed payments throughout the time the agreement was active.

While I appreciate there were occasions where Miss S brought the account up to date, I'm mindful that the account fell back into arrears shortly afterwards due to further missed payments. And so, it indicated that the terms of the agreement weren't adhered to as Miss S didn't make payments on her scheduled payment dates, as set out in her agreement.

Admiral has provided copies of correspondence sent to Miss S. I can see they sent Miss S in May 2024 correspondence about the consequences of a missed payment as well as a separate default notice a few days later. A notice of termination letter was also sent to Miss S in June 2024 as the account wasn't brought up to date.

Miss S says she wasn't aware that a default would be applied and wasn't notified about it. While I appreciate Miss S's comments here, I think it is reasonable to assume that she was aware that the account was in arrears and the consequences of missing payments, given she had contacted Admiral in prior months to make unscheduled payments to bring her account up to date.

Admiral has offered Miss S £300 in total for not sending some correspondence to her by both letter and email. They say there was a system issue at the time which prevented

correspondence to be sent by email on occasions. In the circumstances, I think this is a more than generous offer.

I've now gone on to consider what has been reported to Miss S's credit file in relation to this agreement. And in doing so, I have thought about what the Information Commissioner's Office ("ICO") says about what should or shouldn't be reported to the credit reference agencies ("CRA's"). The ICO is the body created which deals with an individual's data, and it has released a document called, "*Principles for Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies*". It is entirely reasonable to rely on this, because when determining a complaint, as amongst other things, my role requires me to take into account good industry practice and in my view, these principles constitute good industry practice in this area.

The principles state that if a customer falls into arrears on their account, a default may be recorded to show that the relationship has broken down.

In this instance, a termination to the agreement was reported to CRA's in June 2024 and a default was reported in September 2024.

I can't see that Miss S got in touch with Admiral following the notice of termination and remedied the arrears on the account. So, I'm satisfied the termination reported in June 2024 was fair and reasonable. However, I think the default that was reported in September 2024 should be backdated to June 2024, and I'll explain why below.

Admiral has informed our service that they think the default should remain as reported in September 2024 as they believe it should be reported when the balance remains outstanding for more than 90 days after notice of termination. And as they sent that letter to Miss S in June 2024, they believe the default should be reported in September 2024.

However, I'm mindful that the principles set out by the ICO say that:

"The date of default recorded on the file would normally be the date on which a decision to file a default becomes effective, e.g. 28 days from the date of the default notice."

In this instance, Miss S was sent a default notice on 25 May 2024 due to a breach of the agreement and was given until 8 June 2024 to satisfy the requirements of the letter sent to her. The necessary action to remedy the breach wasn't made in time. And so, in line with the principle set out above, I think a decision to file a default becomes effective from 8 June 2024.

Miss S has also complained about how quickly Admiral passed her debt on to a third-party company. A business is free to make commercial decisions on how they attempt to recover arrears on accounts with their customers, whether that be directly with them, or by using the services of a third-party. While Miss S has said that she wasn't sure to trust the third-party due to the chance it was a scam, I'm mindful that Miss S ought to have been aware that she was in arrears at the time. So, I don't think Admiral have acted unreasonably here.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct EUI Limited trading as Admiral to put things right by doing the following:

- To backdate the default on Miss S's account to June 2024.
- Pay Miss S an additional £170 (so, £300 in total) to reflect the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 12 February 2026.

Ronesh Amin
Ombudsman