

## The complaint

Mr L is unhappy with how EUI Limited trading as Admiral recorded information on his credit file in relation to a fixed sum loan.

## What happened

Around May 2024 Mr L took a fixed sum loan with Admiral to fund the cost of van insurance. Mr L made the first payment, but the direct debit was then cancelled.

Admiral attempted to contact Mr L and then issued a default notice. Mr L then was in touch with Admiral on 29 July 2024. Mr L explained he was in financial difficulty and Admiral agreed to suspend payments until 23 August 2024. No payments were made, and Mr L didn't contact Admiral by a date agreed.

Admiral then issued further default notices. A notice sent explained Mr L needed to settle the arrears by the end of September 2024. The terms of the default notice weren't met, then the agreement and associated insurance policy were terminated.

Mr L then complained to Admiral and said he was unhappy with information recorded on his credit file. Admiral issued a final response on 18 November 2024. This said, in summary, that it recorded information correctly on his file in line with the terms of the agreement.

Mr L was unhappy with this and referred the complaint to our service. He said, in summary, that he tried to contact Admiral on multiple occasions to update his bank details. He also said Admiral shouldn't have reported information on his credit file when he was in a repayment plan.

An investigator issued a view and upheld the complaint in part. She said, in summary, that she hadn't seen Mr L called Admiral to try to update his details as he explained. She said Admiral had worked with Mr L to try to resolve the situation by suspending payments. And she said Admiral had a duty to report information to Mr L's credit file, which he agreed to in the terms and conditions.

She did say however that it appeared Admiral waited around 90 days from when the insurance was terminated in October 2024 to when it recorded a default on Mr L's credit file. She said Admiral should've reported the default in October 2024. So, she said this should be backdated and the late payments recorded past this point removed from his credit file.

Mr L agreed to the outcome reached.

Admiral said that it would only record a default once a specific letter had been sent out and the balance remained owing 90 days after this. It said this letter was sent on 29 September 2025 and the default reported 90 days after this. It said this was its standard process.

Our investigator said this didn't change her opinion. Admiral remained unhappy, so the case was passed to me to decide.

I emailed Admiral and explained I thought what the investigator had set out was reasonable and that this would be in line with the guidance from the Information Commissioner's Office (ICO) Principles for the Reporting of Arrears Arrangements and Defaults at Credit Reference Agencies.

Admiral responded and said Mr L cancelled his policy on 6 October 2024. It said a default notice was issued and in line with its process, it recorded the default after this was unpaid for 90 days. It said this gave Mr L a fair chance to make the payment before the default was recorded. Admiral said the ICO principles were only guidance.

### **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 think this complaint should be upheld in part. I'll explain why.

I should start by explaining to both parties that I might not comment on every point raised or every piece of evidence. I want to reassure Admiral and Mr L that I have considered all of the information provided. But I'll focus my decision on the key facts and the crux of the complaint, which reflects the informal nature of our service.

In this case, Mr L agreed to the investigator's view and how she recommended things to be put right. Admiral only disputed the point around the default date and other reporting. So, I only need to consider this issue in my decision.

At the point the default was recorded, Mr L's account was several months in arrears and I'm happy adding a default was in line with the ICO guidance about this. So, I find adding a default was reasonable. However, this brings me to the key issue, which is *when* the default should've been recorded.

I've considered what the ICO guidance says here:

*"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"*

Here, I've seen Mr L was sent various default notices. The last default notice before the agreement was terminated explained he needed to pay the outstanding arrears by 28 September 2024.

This wasn't done, and Admiral wrote to Mr L explaining he hadn't met the terms of the default notice and so the credit agreement had been terminated. And I can see the associated insurance policy was terminated on 6 October 2024.

So, on 6 October 2024, various default notices had expired without Mr L meeting the terms, the agreement was several months in arrears, and Admiral had terminated both the credit agreement and associated insurance product. I'm satisfied, thinking about this, that it would've been reasonable for Admiral to make the decision to file a default at this point.

If Admiral wanted to give Mr L a *further* chance to settle the debt within 90 days, I am not saying it was necessarily wrong to do so. But in this case, when the arrears weren't repaid, I find Admiral should've backdated the default to the above date, so it wouldn't reflect on Mr L's credit file for longer than it should.

Either way, it follows that I find Admiral should backdate the default to 6 October 2024. It

should also amend the other details on Mr L's credit file to reflect what it would've shown had this been the case, including removing late payments added afterwards if applicable.

I want to reassure Admiral that I considered all of the points it raised here. But this doesn't change my opinion.

I have considered whether Mr L has suffered distress and inconvenience because of what happened. I'm sure, overall, this was the case, however I can only specifically consider an award for distress caused by what Admiral did *wrong*. I don't think recording the default later than it should, at this point, has specifically caused Mr L distress and inconvenience to the extent an award should be made. So, Admiral needs to take no further action on this point.

### **My final decision**

My final decision is that I uphold this complaint.

I instruct EUI Limited trading as Admiral to put things right by backdating the default on Mr L's credit file to 6 October 2024. It should also amend other information to reflect what the file would've shown had this been done at the time.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 February 2026.

John Bower  
**Ombudsman**