

## **The complaint**

Mr B complains that Hutchison 3G UK Limited trading as Three (“Three”) has unfairly recorded missed payments to the credit reference agencies (“CRA’s”) in relation to a fixed sum loan account he has with it.

## **What happened**

Mr B says that in early 2025, Three changed its direct debit process and his direct debit was wrongly flagged as ‘refer to payer’. He says he didn’t cancel the mandate, and he continued to make monthly repayments. He states that despite him making repayments, Three recorded missed payments/arrears markers to the CRA’s.

Mr B says that despite him paying off the arrears on the account, Three refused to rectify his credit file, stating that the reporting was accurate. He adds that the inaccurate arrears markers have reduced his credit score and he now risks higher prices for credit, and he could get declined for other credit products. He also says the situation has caused him stress and anxiety. He would like Three to pay him compensation for distress and inconvenience and to correct his credit file.

Three responded to Mr B’s complaint but it ultimately said that its reporting was accurate. It said it attempted to collect a direct debit payment on 28 September 2024, this was returned as ‘refer to payer’. It said it attempted to recollect the direct debit on 10 October 2024; however it was unable to collect a repayment. It explained that this repayment wasn’t made until 30 June 2025, and it has therefore correctly reported the arrears for each month up until the arrears were repaid.

An Investigator considered the evidence provided by both parties, but they didn’t think Three had done anything wrong. They explained that Three hadn’t received a repayment from Mr B that was due on 29 September 2024. This wasn’t repaid until 30 June 2025, and therefore it was accurate of Three to report the arrears until the account was brought back up to date. The Investigator said that if Mr B could provide evidence of the payment having been made for September 2024, then they would review this.

Mr B didn’t agree with the Investigator’s view and asked for a decision on the matter. And so, 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 considered all of the available evidence, I don’t uphold Mr B’s complaint.

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. I say this as I’m aware I’ve summarised Mr B’s complaint in considerably less detail than he has. If I’ve not reflected 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 fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

I also note that Mr B also has concerns about the quality of the handset he purchased. And I can see that he has started court proceedings in relation to this matter. This decision relates solely to the information Three is reporting on his credit file – as this issue does not appear to form part of the court proceedings.

I have looked at the repayment history on Mr B's account. I can see that no repayment was made that was due on 28 September 2024. The notes provided to me by Three, state that this was returned as 'refer to payer'. I can see that Three attempted to collect the direct debit again on 10 October 2024, but this was also unsuccessful. Based on the information I've seen, the account wasn't brought up to date until 30 June 2025, when Mr B made a manual payment for the outstanding amount.

I can see that Mr B feels that the issue is with how Three attempted to collect the repayment in September 2024, but I haven't seen any evidence to suggest there were any issues with Three at the time. I also haven't seen any evidence to suggest that the repayment to bring the account up to date was made by Mr B prior to June 2025.

Mr B ought to have been aware he was required to make a repayment to the account, as I can see that Three contacted him on many occasions to let him know that a payment hadn't been made and he would need to bring the account back up to date.

When an account is behind on repayment, a firm, Three in this case, is required to report this information to the CRA's. Because Mr B's account was in arrears between September 2024 and May 2025, I'm satisfied that it was fair, reasonable and accurate of Three to have reported that Mr B was in arrears each month. And because of this, I don't agree that Three should remove the reporting that relates to these arrears.

### **My final decision**

For the reasons set out above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 March 2026.

Sophie Wilkinson  
**Ombudsman**