

## The complaint

Mr L complains that SECURE TRUST BANK PUBLIC LIMITED COMPANY, trading as Moneyway (“Moneyway”) placed a default on his account when he missed one payment. He says it’s affected interest rates available to him on subsequent borrowing, and he wants to be compensated.

## What happened

Mr L took out a hire purchase agreement in May 2017 to acquire a car. The credit agreement was set up over a term of 60 months with monthly rentals of £308.89, resulting in the total amount repayable if the agreement ran to term being £18,643.40.

Mr L told us:

- He missed one monthly payment in 2020 because of a wage error made by his employer, and he telephoned Moneyway to explain the situation;
- Moneyway said a note would be placed on his account, and it would be acceptable to make the payment as soon as his wages were corrected the following month;
- despite making the payment the following month, a default was applied to his credit file – something he was not informed would happen;
- he wasn’t told a default would remain on his credit file for six years, or that it would severely affect his ability to obtain future credit;
- he complained to Moneyway, but it mis-stated the facts of the case:
  - it referred to him waiting for a bonus rather than the correction of his wage;
  - it said it had written to him about the default at the time;
  - it didn’t address the financial loss and distress he experienced;
- Moneyway did agree to remove the default as a *gesture of goodwill*, so this implicitly means the default was unjustified, but it’s not paid him any compensation;
- in September 2024, he financed another car, but the default affected the interest rate he was offered, and he calculates this to be around £3,000.

Mr L says he wants Moneyway to pay reasonable compensation for the distress it’s caused and admit that the default was applied in error and was not properly communicated.

Moneyway rejected this complaint. It said it had spoken with Mr L in May 2020 after a default notice had been issued, and it had agreed to extend the default expiry date to 26 June 2020 because Mr L would be receiving a bonus from his employer. Moneyway said no payment was received by 26 June 2020, which was when the extended default date expired.

Moneyway told this Service that from October 2018, Mr L had slipped into and out of arrears on a number of occasions and each time it spoke with him, it had explained that a missed payment could affect his credit file. It said its records showed that Mr L had told it on a number of occasion that he was experiencing “*issues with his wages at work*”.

Moneyway said on 26 May 2020, it sent Mr L a *Notice of Sum in Arrears* because he had failed to make at least two payments under the agreement. And it issued the *Default Notice* on 27 May 2020. Moneyway said it spoke with Mr L on 28 May 2020 regarding the arrears

on his account, and Mr L confirmed issues with his wages in April, so was unable to make his repayment. It says it informed Mr L that a Default Notice had been issued, but it said it would extend the expiry date of the Default Notice until 26 June, as Mr L had informed it that he would be receiving a bonus payment in June and would be able to clear the arrears on his account. Because payment wasn't received by 26 June, a default was registered.

Moneyway said although it had recently agreed to remove the default from Mr L's credit file as a goodwill gesture, it had not acted unfairly by registering one in the first place.

Our Investigator looked at this complaint and said she didn't think any complaint about the default should be upheld, but she did recommend that Moneyway pay £100 in recognition of the poor service it had provided Mr L.

Our Investigator said she'd seen copies of the letters Moneyway sent to Mr L – the *Notice of Sum in Arrears* and the *Default Notice* – and they were addressed to Mr L at the same address this Service holds on file for Mr L. And she said this correspondence clearly set out the consequences on Mr L's credit file. In summary, she said she thought that Moneyway had acted in the way this Service would expect, and she couldn't conclude it had done anything wrong when it applied a default to his account.

Mr L disagrees so the complaint comes to me to decide. He says the impact of Moneyway's actions aren't reflected in the £100 compensation awarded.

### **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 hope that Mr L won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of his complaint. Our rules allow me to do that. Mr L should note, however, that although I may not address each individual point that he's raised, I have given careful consideration to all of his submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

Having done so, I've reached the same conclusion to that of our Investigator, and I don't think his complaint about the default should be upheld, but I'm persuaded that the poor service he's subsequently received warrants a small amount of compensation – and I'll explain why.

First of all, I've looked very carefully at Mr L's statement of account, his account notes, and the correspondence that Moneyway sent to him. And, having done so, I can find no reason why it was wrong for Moneyway to register a default.

- The notes show that the account was in arrears, to some degree, from October 2018. The contemporaneous notes written by the Moneyway representatives when speaking to Mr L indicate he had a number of instances with issues around his wages from his employer.
- The arrears combined with the missed payment in 2020 were sufficient for Moneyway to issue Mr L with a *Notice of Sum in Arrears* and the *Default Notice*.
- These documents are addressed to Mr L, and the address is the same one held by this Service. So, in the absence of any reasons from Mr L as to why this

correspondence would not have been delivered to him, I have to conclude it's more likely than not that he did in fact receive it.

- This correspondence sets out the consequence of missed payments and arrears; what Mr L needed to do next; and it signposted him to organisations that might be able to assist him in the event he was experiencing financial difficulties.
- Moneyway spoke with Mr L and agreed to extend the expiry of the default notice to 26 June 2020, but as no payment was received by this time, it proceeded to register the default.

Looking at everything provided, I'm simply unable to conclude Moneyway did anything wrong when it registered a default against Mr L's account in 2020.

Moreover, the Information Commissioner's Office (ICO) places requirements on lenders when it comes to the data they report to Credit Reference Agencies ("CRAs"). The ICO says "*Lenders that supply data to the CRAs are required to ensure that the data is accurate, up to date and meets agreed quality standards*". So, on the basis that Moneyway must report accurate credit information to the CRA's, I'm satisfied that it has acted fairly by following the ICO's requirements when it reported Mr L's default.

Mr L says Moneyway's actions affected his subsequent borrowing and the rates of interest offered. Whilst I don't doubt this *may* have been the case, I've seen no evidence that shows Mr L would've been offered a better interest rate by another lender but for the default registered by Moneyway. So I simply can't agree that Moneyway's actions caused Mr L additional interest charges of more than £3,000. But even if there were evidence to support Mr L's submissions, I have to tell him that on the basis I've found no wrongdoing by Moneyway in registering the default, I couldn't ask it to reimburse him for the cost of higher rates of interest he's subsequently been charged by other lenders.

Now, I do appreciate Mr L may have concerns about his credit file and the effect this *may* have on future lending applications. Mr L may be interested to note that he can place a '*Notice of Correction*' against his credit records. The purpose of such a notice is to allow someone the opportunity to add any explanatory circumstances that they would like prospective lenders to take into consideration when making lending decisions. And if he wishes to do this, he should contact the CRAs directly himself. Further details of this are set out in section 6 of the credit report he sent to this Service.

Finally, I've considered the service provided by Moneyway whilst Mr L was trying to get to the bottom of what happened. I can see it's taken quite some time to provide Mr L with the information he needed, and this should've been a relatively quick and straightforward process. Our Investigator recommended that Moneyway pay Mr L £100 in recognition of this poor service, and I think this is fair and reasonable in the circumstances of what's happened.

I know Mr L will be disappointed with the outcome of his complaint, but I hope he understands why I've reached the conclusions that I have.

### **Putting things right**

To fairly settle this complaint, I direct SECURE TRUST BANK PUBLIC LIMITED COMPANY, trading as Moneyway to pay Mr L £100 in compensation.

### **My final decision**

My final decision is that I uphold this complaint and require SECURE TRUST BANK PUBLIC LIMITED COMPANY, trading as Moneyway to pay compensation as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 March 2026.

Andrew Macnamara  
**Ombudsman**