

The complaint

Mr B complains that TSB Bank plc has reported missed payments to the credit reference agencies (CRA's), when he says he has been keeping up with repayments. He also adds that TSB should have defaulted his account when he entered into a debt arrangement scheme (DAS).

What happened

Mr B had a credit card account and an overdraft with TSB. In 2018, Mr B says he entered into a DAS. He says that since then, he has continuously made the agreed payments on time, but TSB has recorded missed payments each month and reported this to the CRA's. Mr B adds that when he has questioned this, he has had conflicting information.

Mr B felt his account should have been defaulted when he entered the DAS. Doing this would allow his credit score to recover.

Mr B says that he hasn't been able to obtain a mortgage as a result of the information being reported on his credit file – which has had a large impact to his personal circumstances. TSB issued three separate letters to Mr B about his complaint. I have summarised these below:

- 26 May 2023 – confirmed Mr B's credit file had been updated to show the payments that had been made. It also explained that there were still seven different months where payment hadn't been received and so this was reporting accurately on his credit file.
- 11 September 2023 – this reiterated the months Mr B was showing as being in arrears. It explained the value of the arrears. It paid him £100 for some customer service issues.
- 16 April 2025 – explained that it doesn't default accounts that are subject to a DAS. It noted that between June 2018 and August 2018 it had charged interest to Mr B's account when it shouldn't have and so it refunded this. Explained that Mr B's account isn't in arrears. It explained that it had already responded to Mr B's complaint about what the CRA's are reporting on his credit file and so didn't answer this again. It explained why the minimum payment shown on his statements doesn't reflect the DAS agreement.

An Investigator considered the information provided by both parties, but they didn't uphold Mr B's concerns. They explained that Mr B had made his complaint about the issues covered in TSB's responses from 2023 too late – that's because he didn't refer his complaint about these matters until 2025. So we couldn't consider the merits of the issues raised and covered in these responses. They also didn't think TSB's reporting to Mr B's credit file was inaccurate, or that it should have defaulted his account. The Investigator explained why his credit card statements showed the minimum payment as being less than what he was paying under the DAS.

Mr B didn't agree with the Investigators view; I have summarised his main points below:

- If his account wasn't subject to a DAS then he would be paying more than the minimum amount required – that's because he states the minimum repayment would be 1% of his balance – and he is paying more than this.
- Two of the CRA's have confirmed that TSB are reporting that he has missed payments. And the other showing that he is in a debt management plan (DMP).
- He feels it's unfair that his account didn't default when he entered into the DAS. His other creditors defaulted him when he was three months behind with repayments.

Because an agreement couldn't be reached, the complaint was passed to me to decide on the matter.

I previously issued a provisional decision on this case, that's because it was my intention to come to a different outcome to the Investigator. Because of this, I wanted to give both parties the chance to respond with anything else they wanted me to consider before I came to my final decision on the matter.

I have copied my provisional findings below, which also forms part of this final decision.

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this 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 provisional 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.

Mr B's complaint falls into three main concerns – his account not defaulting, the missed payments reporting to the CRA's and the minimum payment due. I have covered these off in turn below.

Default

The Information Commissioner's Office (ICO) guidance states that an account should default when it is between three to six months in arrears. Mr B's credit card account was only one month in arrears, and the overdraft was in a planned overdraft at the point in which Mr B entered the DAS. So, I don't find that TSB did anything wrong in not defaulting the accounts as a result of the arrears prior to him entering into the DAS.

While I note that some of Mr B's creditors might have taken action earlier than TSB did, I can't fairly find that it did anything wrong in not doing this, given that arrears hadn't built up to the latest point it should have defaulted.

I have then gone onto consider whether the account should have defaulted when it entered the DAS. I consider guidance published by the ICO, to be relevant here (see ICO publication 'Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies' (Version 2a Published July 2016 (updated to refer to GDPR and DPA 2018)). This states that a firm should default an account when it receives notification of insolvency. It states that an account should be recorded as defaulted where "The account is or has been included in a bankruptcy, CCJ, Individual Voluntary Arrangement (IVA) or similar".

I have thought about what this means for Mr B's account. Firstly, the guidance doesn't refer specifically to a DAS. I note that the guidance refers to 'similar' types of insolvency and I have thought about this carefully when coming to my decision. But having done so, I'm persuaded that the DAS should be treated as an 'an arrangement to pay'. An arrangement to pay isn't a specific type of debt solution. It is just the term used when there is an agreement in place to make repayments to the creditor. The ICO Principles on reporting state that when a lender agrees to reduced or revised repayments with a borrower, this arrangement will be reflected on the credit file. I'm satisfied that the DAS is ultimately an agreement to reduced or revised repayments; even though TSB is compelled to the agreement by operation of the law. So I don't think the ICO guidance here requires TSB to have defaulted the account when he entered into the DAS.

Additionally, I have looked at the Accountants in Bankruptcy (AIB) guidelines which also refers specifically to DAS. This doesn't say that a business is required to register an account in default when a DAS is in place, which I'd have expected the guidance to comment on if this was a requirement.

I have also considered whether TSB should have defaulted Mr B's account during the DAS – but I don't think it should have. Ultimately, the DAS is designed to help people repay their debts in a more manageable way, and without the risk of a creditor taking legal action. The intention of defaulting an account is to demonstrate the relationship between the customer and lender has broken down. But, in Mr B's case I can't agree that's happened. That's because he's got an arrangement to pay the account in place, and so I don't think taking steps to default an account that is subject to a DAS would be appropriate.

Overall, I don't think TSB has done anything wrong in not defaulting Mr B's accounts.

Current repayments are higher than the minimum amount that would have been due under the credit agreement

Mr B says he's paying more than he would each month if he wasn't in a DAS. I make no finding here on whether this is right or not. But even if it is, the repayment amount is set by way of agreement between the parties involved in the DAS. Ultimately, TSB has agreed to accept a monthly repayment amount as part of the DAS, with the DAS administrator. So even if Mr B is paying more than what he would be required to under the original terms and conditions, the repayment amount has been overridden by the DAS agreement. So I can't find that TSB has done anything unfair or unreasonable here.

Missed payments on the credit file

TSB hasn't provided me with information to investigate this part of Mr B's complaint. It says that this complaint is only about the default, and it has already answered his complaint about missed payments in previous final response letters – and so this Service can't consider a complaint about the things considered in those responses.

I agree that this Service doesn't have the jurisdiction to consider a complaint about anything covered in those responses. However, as TSB allegedly continue to report missed payments on Mr B's credit file, I can consider Mr B's complaint about any reporting that TSB did after the final response from September 2023. If TSB would like a jurisdiction decision on this matter, then it should let me know in response to this provisional decision. However, for the reasons I've explained, this appears to be an ongoing issue, with each set of reporting being a new event, therefore I have the jurisdiction to consider Mr B's complaint about credit file reporting from September 2023.

Like I explained, I asked TSB to provide me with evidence, particularly what it was reporting to the credit reference agencies, and the reason it was reporting missed payments. But it didn't provide me with the information I've asked for, and so I have no evidence to persuade me that it is in fact reporting correctly.

The only information I have seen is that TSB said the account wasn't in arrears. Because of this, TSB should remove any arrears markers from Mr B's account that it recorded after September 2023. However, it should be reporting that Mr B is in an arrangement to pay, as this is an accurate reflection of the situation Mr B is in. However, I will manage Mr B's expectations here that my view on this could change if TSB decides to provide me evidence to show it is reporting accurately before the deadline."

Both parties responded to the provisional decision; and I have summarised their responses below.

Mr B said he was happy with the outcome of the provisional decision. However, he explained that his TSB overdraft had now been settled by the DAS; but once it had been settled, TSB recorded it as having been in default. Mr B provided evidence to support what he said. He also added:

- He had asked TSB many times how much his account is in arrears by, but it has failed to provide him with this information.
- The minimum amount shown on his statements is much less than he is paying each month. Even if interest was added to the outstanding balance; what he is currently paying each month under the DAS would be enough to cover the minimum repayments.

TSB responded and it didn't agree with my provisional findings. In summary it explained:

- It has reported Mr B's account in line with the ICO's principles of reporting, which states that arrears may continue to be calculated in accordance with the contracted terms, but the account may be marked under a DMP, which it had done in this case. A DAS is effectively an arrangement to pay and will therefore continue to report as in arrears until the customer has cleared the debt not the arrears. Mr B hadn't kept up with the contracted repayments, so it is reporting correctly.
- It added that I don't have the jurisdiction to change the principles of reporting, and changing what it is currently reporting would go against those principles.
- Mr B isn't being charged interest of the outstanding debt, therefore the minimum amount due showing on his statements is not the contracted amount as the minimum amount would be higher if interest was charged.

Because TSB had provided additional information, I wrote to both parties to let them know what I thought about the new information – but ultimately, my view hadn't changed that Mr B's complaint should be upheld. I said:

"I'll start by saying that I can see that Mr B has explained that he has repeatedly asked TSB how he can prevent the missed payments from being recorded. And I can't see that he's been given an answer on this point, which doesn't feel fair to me. I can see that he has also been told that his account isn't in arrears. So, understandably, he's remained confused about how he can make changes to rectify the information being reported about him.

I agree with TSB that Mr B's account should be reported as in an arrangement – I can see from its internal records that it is reporting this in the way I would have expected it to. And so I won't be asking it to change this.

The ICO's guidance on reporting accounts in a debt management plan, which is how I would expect TSB to treat the account, states that "arrears may continue to be calculated in accordance with the contracted terms, but the account marked as under a DMP". Based on this, I also agree that it would still be accurate for TSB to calculate any arrears that have accrued on the account.

But there is nothing in the ICO's guidance on reporting accounts in arrears that state that repayments made in line with the agreed reduced amount should be reported as having been missed or as in arrears. When Mr B entered into the DAS, essentially the parties agreed to a change in payment arrangement. The arrangement under the DAS, from what I understand, is ongoing until the account is repaid in full, which is reflective of a more permanent arrangement as opposed to a temporary one. The agreement was that Mr B was required to make set repayments under the DAS, and TSB agreed to no longer charge interest to the account until the account has been repaid in full. While Mr B maintains the required repayments under the DAS, I don't think it fair or reasonable to report that he has missed a payment each month – he is making the repayment that has been agreed by the parties, so to record that he has missed payments would, in my view, be unfair. And from what I have seen of the ICO's guidance; my view that the missed payments should be removed doesn't go against what the ICO has said about reporting accounts in arrears.

If Mr B had missed repayments due under the DAS, then I would have expected this to have been recorded as a missed payment. If this is the case, then I'm of the view that it would be fair and reasonable for TSB to record any repayments missed under the DAS as 'missed payments'. But I've not seen anything to suggest this happened.

Overall, and considering the particular circumstances of this case, I think it fair and reasonable the missed payment markers are removed from Mr B's credit file, for the months after September 2023, where Mr B made a payment in line with the DAS agreement. I note Mr B has raised concerns that TSB has reported the overdraft account he had with it as in default. I haven't considered this as part of this decision, as I'm aware TSB are currently looking into this matter. If Mr B is unhappy with TSB's response in relation to this, then he can refer the matter to this Service separately".

TSB responded to say it didn't agree and that my findings go against the ICO's publication on the 'Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies' (Version 2a Published July 2016 (updated to refer to GDPR and DPA 2018)). It asked if I had read this document; to which I responded that I had; and had referred to it my previous correspondence. I asked TSB to let me know exactly which bit of the guidance it felt my findings went against; and it responded with the below section of the guidance:

"Debt Management Programme A debt management programme (DMP) is when a third party debt adviser negotiates a repayment schedule for all or a number of a consumer's credit agreements. If the plan is accepted by the lender, the record filed at the credit reference agencies must reflect that the consumer is on a DMP. For such accounts arrears may continue to be calculated in accordance with the contracted terms, but the account marked as under a DMP".

But it didn't provide any further context or information as to why it felt my findings depart from this.

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 everything again, I uphold Mr B's complaint.

The only element of Mr B's complaint that remains in dispute is TSB's recording of the missed payments on his credit file. Because of this, I have focussed on this when coming to my final decision. For completeness, my decision relating to the account having not defaulted is the same – I don't think TSB were wrong not to default the account.

I have already quoted and provided comments around the part of the ICO released guidance TSB has referred me to. Therefore, I'm still of the view it would be unfair for TSB to report Mr B as missing payments each month, and I'll explain why I think this below.

The guidance TSB has referred me to states that an account in a DMP should be marked as such on the credit file – Mr B, TSB and I agree with this. But there is nothing in the guidance that states that repayments made in line with the DAS should be recorded as 'missed' payments. The guidance states that arrears may still be calculated in line with the original terms, which I'm not departing from. But the extra step here is how repayments are being reported. Where Mr B has made repayments in line with the DAS, it would, in my view, be unfair to record these as missed repayments – especially where it should also be clear to other lenders that the account is in a DMP. It is also my view that this doesn't go against the guidance forwarded by the ICO. TSB hasn't provided further commentary to explain why it thinks my findings go against this despite a number of opportunities now. Therefore, my view on Mr B's complaint hasn't changed.

Putting things right

To put things right for Mr B, TSB should;

- Remove any negative repayment markers from Mr B's credit file from September 2023, where he has made a repayment in line with the DAS.

My final decision

For the reasons set out above, I uphold Mr B's complaint, and I order TSB Bank plc to put things right for Mr B by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 February 2026.

Sophie Wilkinson
Ombudsman