

## **The complaint**

Miss W and Mr D complain that Topaz Finance Limited trading as Rosinca Mortgages unfairly reported arrears on their buy to let mortgage account to the credit reference agencies.

Miss W has dealt with the complaint. She asks that the arrears marker is removed.

## **What happened**

Miss W and Mr D took out a buy to let mortgage with Rosinca in 2007. Miss W made monthly mortgage payments by direct debit from an account with another bank. The bank sent her notice that it was closing the account.

In mid-May 2025 Miss W sent a message to Rosinca with new account details and asked it to change her direct debit. She discovered in early June 2025 the payment due in May 2025 hadn't been made. She immediately made the payment. However, Rosinca recorded arrears for May 2025. Miss W says this is unfair and misleading.

Miss W says due to the effect on her credit score she can't buy two more buy to let properties which she'd intended to fund her retirement. She says this has had a catastrophic effect on her finances. Miss W says Mr D has also have credit declined.

Our investigator said Miss W and Mr D didn't make the payment that was due in May 2025 and Rosinca had reported correct information to the credit reference agencies.

Miss W didn't agree and asked that an ombudsman re-consider the complaint.

## **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.

Rosinca wrote to Miss W and Mr D on 6 May 2025 saying their direct debit had been cancelled. It enclosed a direct debit instruction form for them to complete. It said after it received this it could take up to 10 working days to set up a direct debit. It said it would write to them to confirm when it would collect the first payment. It said if a payment is due before this, it should be made in a different way.

This letter also said *"If we haven't received your monthly payment by the last day of the month in which it's due to be paid, we may treat your account as being in arrears. We report the arrears status of your account to credit reference agencies monthly. They keep a record for up to six years and any record of arrears may affect your ability to borrow money or obtain credit in future."*

On 14 May 2025 Miss W left a message in Rosinca's online portal asking it to change her direct debit. Rosinca wrote to Miss W and Mr D the same day, enclosing a direct debit instruction form for them to complete. It gave the same information as in the previous letter about the time it could take to set up the direct debit and the need to make payments in a

different way in the meantime. It left a message in the online portal to say it had sent them a direct debit mandate to complete.

The letters Rosinca sent to Miss W and Mr D gave them clear information about the process to set up a new direct debit. It told them they might need to make payments in a different way in the meantime. And it told them it might report the account in arrears if it didn't receive the monthly payment in the month that it was due.

Miss W didn't read the message in the online portal until 2 June 2025. She says she didn't realise the payment hadn't been made until 2 June 2025 when she checked her bank account. She made the payment immediately.

Rosinca reported the mortgage as being in one month of arrears at the end of May 2025. It's reported the account as up to date since then.

The mortgage conditions say that Miss W and Mr D have to make a payment each month on or before their chosen payment day. Rosinca said in its final response that monthly payments are due on the 1<sup>st</sup> of each month. I understand Miss W's frustration about the confusion this caused as to whether the payment was due on 1 May 2025 or 30 May 2025. But, while frustrating, this wasn't the reason for the payment being missed or the arrears being reported to the credit reference agencies.

The payment was missed because Miss W's direct debit was no longer active, and Miss W and Mr D didn't complete a new direct debit mandate or make the payment in May 2025.

Rosinca has to report accurate and up to date information to the credit reference agencies. It reports the status of mortgage accounts at the end of each month. Rosinca reported Miss W and Mr D's mortgage as one month in arrears at the end of May 2025. This was accurate. At the end of May 2025 Miss W and Mr D's mortgage was in arrears equal to one monthly payment: a payment was due in May 2025, and no payment was received into the mortgage account.

Miss W says she's been disadvantaged because she makes payments at the end of the month. In her view, her payment was only two days late. Rosinca allows customers to choose a payment day at any time in the month. Choosing a date at the beginning of the month might have given Miss W more time to realise there was a problem and sort things out before the end of the month. But I can't fairly find that choosing a date near the end of the month means a customer can miss payments without arrears being recorded in the same way as for other customers.

Miss W says this was an administrative error, and she's not short of funds. She says this is affecting her – and Mr D's – ability to access credit.

I need to take into account that this is a buy to let mortgage. Letting property is a business, and that includes arranging and managing the related finance. Rosinca is entitled to expect Miss W and Mr D to manage the mortgage account accordingly.

Miss W can consider contacting the credit reference agencies to add a note to her credit report to explain how the payment was missed. But can't fairly require Rosinca to remove the arrears for May 2025. This information is accurate, and was recorded in accordance with Rosinca's usual process and the information it provided to Miss W and Mr D.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W and Mr D to accept or reject my decision before 10 March 2026.

Ruth Stevenson  
**Ombudsman**