

## **The complaint**

Mr F complains about the information Barclays Bank UK PLC has reported to the credit reference agencies (CRAs) in relation to a current account he had with it.

## **What happened**

Mr F initiated a current account switch from his Barclays account to another bank. The switch took place on 5 November 2024 and left an outstanding balance of £16.99.

Mr F says Barclays wrote to him to ask him to repay the outstanding, but the letter didn't include a date on which he needed to pay by. So, Mr F says he paid the balance around 28 days later, but despite this, Barclays reported that his account was in arrears.

He said the marker on his credit file meant that he couldn't get mortgage products with his bank, and because of this he had to change mortgage providers which offered him a less favourable rate of interest, he had to pay a product fee, and he had to pay an early repayment charge (ERC).

Barclays considered Mr F's complaint, but it didn't think it had done anything wrong. It explained that when it wrote to Mr F, it said "*Failure to repay this outstanding amount may result in information being recorded against your credit file*". And because Mr F hadn't repaid the amount owed until 6 December 2024, it felt it was fair to report this to the CRA's.

After Mr F referred his complaint to this service, Barclays said that it had now decided that it would remove the negative information from being reported on Mr F's credit file and it also offered Mr F £150. The Investigator who considered Mr F's complaint felt this offer was fair in the circumstances.

Mr F didn't accept the offer and didn't agree with the Investigator's view. He said that his payment couldn't be deemed as being late because Barclays hadn't told him when to pay it by. He said he wouldn't accept an offer unless it was full recompense of the impact of its reporting.

The Investigator reconsidered Mr F's case in light of the evidence he had provided, which he felt shows financial losses were incurred as a result of the information Barclays reported on his credit file. Ultimately, the Investigator explained they hadn't seen evidence to satisfy themselves that the losses were as a result of the missed payment Barclays recorded on his credit file. However, they did think that Barclays should increase its offer of compensation to £350.

Mr F didn't agree with the Investigator's view, and so the complaint has been passed to me to decide on the matter.

## **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 evidence available, I uphold Mr F's complaint. Although I appreciate that Mr F will likely be disappointed by this decision given that it doesn't go as far as he would like in terms of compensating him.

Before I go on to explain how I have reached my outcome, 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 F'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 don't think it's in dispute here that it wasn't fair in the circumstances for Barclays to have recorded a missed payment on Mr F's credit file. I also agree this is the case. I say this because having looked at the letter Barclays sent to Mr F about repaying the £16.99, there was nothing in the letter that told Mr M when he needed to pay by. And I don't think the time it took him to pay was unreasonable in the circumstances. Therefore, I'm satisfied that Barclays shouldn't have recorded the missed payment, and I'm pleased to see that it has agreed to remove this.

What appears to be in dispute still is how things should be put right for Mr F. I'm sorry to disappoint Mr F, but I won't be asking Barclays to compensate him for the financial losses he's says he's incurred, and I'll explain why below.

From the information I've seen, it appears Mr F's mortgage lender wouldn't provide him with the mortgage he wanted. Mr F says this is as a direct result of the information Barclays reported to the CRA's. But I'm not persuaded by this.

For me to be able to award all or even some of these losses to Mr F, I'd need to be persuaded that Mr F would have been able to get the mortgage he wanted had it not had it not been for the negative marker on his credit file. That's because Mr F says all the financial losses he's incurred stem from him not being able to get the mortgage he wanted with his previous lender.

I accept that it's likely the marker on his credit file would have been a consideration for any mortgage lender at the time and no doubt a negative factor in any lending decision. That said, mortgage decisions are complex and come down to a great many different factors. I haven't seen sufficient evidence to persuade me that, had it not been for the marker, he would more likely than not have been accepted – which is what I'd need to be satisfied of here.

I have looked at the various bits of evidence that Mr F has provided from his mortgage broker, previous lender, and his new lender. The information shows that Mr F paid to move his mortgage to a different lender, for example, he has shown evidence of what he paid in ERC and a product fee. But what I'm looking for here, is something that shows me that Mr F would have got the mortgage had it not been for the marker on his credit file.

Mr F has provided an email chain between himself and his mortgage broker which says *"Whilst I have you [mortgage lender name removed] came back to me you have a missed payment on a current account from the back end of 2024, maybe drifted over an overdraft limit which is the main reason you are failing credit score with them. They also said there*

*was some form of CIFAS register alert, which is the fraud register and they can't see what it is".*

So, it seems Mr F's mortgage broker thought that the missed payment (recorded by Barclays) and something on the CIFAS register meant Mr F couldn't get the mortgage he wanted. But this information isn't from the lender itself, which is what I'd need to see to be satisfied as to reason why he wasn't accepted for the mortgage. I say that because I can't know what reasons the lender had when they ultimately decided not to grant the mortgage – it's possible these reasons could have changed, or in the end been irrelevant to the reason they didn't advance the mortgage to Mr F.

Mr F has provided this service with evidence to show that there aren't any CIFAS markers showing for him. But I don't think this necessarily proves that he would have got the mortgage had it not been for the negative marker. I say this because the mortgage provider refers to the missed payment being the 'main' issue. And while Mr F has shown this service there isn't anything showing at CIFAS, it appears the mortgage lender had flagged something, which is likely to have been a contributing factor as to why he didn't get the mortgage. In any event, the information provided by the broker, isn't enough for me to conclude that the lender wouldn't agree to provide Mr F with a mortgage because of the negative marker on his credit file, and Mr F has confirmed that he hasn't been able to obtain this information from the lender.

Overall, I haven't seen enough information to satisfy me that Mr F would have been accepted for a mortgage had it not been for the negative marker being reported on his credit file. I have nothing from mortgage lender to explain why he was declined; and like I said, mortgage decisions take into account many factors and so I'm not persuaded that had it not been for the negative marker, that he still would have been accepted for the mortgage. And therefore, I don't find that the financial losses Mr F says he incurred were as a direct result of the negative marker.

What I think Mr F has lost out on here is the opportunity to have his mortgage application assessed without the marker on his credit file. Like I've explained, I haven't seen anything to suggest Mr F would have been accepted for the mortgage, but I find it likely that the loss in opportunity to have his application assessed without the marker would have added to Mr F's distress at an already stressful time. It's clear from Mr F's complaint he believes it's had a significant impact – and that's undoubtedly added to his distress.

It's seldom straightforward to decide on appropriate levels of compensation for non-financial losses. Not least because the impact on the consumer will be, by its very nature, subjective and difficult to quantify. When deciding on fair compensation, I have taken the overall impact the situation has had on Mr F, together with our published approach to compensation for distress and inconvenience, which can be found on our website. Having done so, I'm satisfied the £350 our Investigator recommended is enough to compensate Mr F in the circumstances. I say this because Mr F was already going through a stressful time applying for a mortgage. This is well known as a significant and stressful life event. And, Barclays unfairly applying the missed payment marker, and then refusing to remove it, undoubtedly exacerbated Mr F's distress at an already difficult time. In line with this service's guidance, I think an award of £350 fairly reflects the considerable upset, distress and worry the negative marker caused.

I appreciate this decision will come as a disappointment to Mr F; I can see that he has spent a lot of time gathering evidence to support his view about the losses he incurred. But for the reasons I've explained, I haven't seen evidence to suggest that Mr F would have got the mortgage product he wanted, had it not been for the marker; and while I'm persuaded Mr F

would likely have suffered distress and inconvenience as a result of the marker, I'm satisfied that £350 is enough to compensate Mr F for this.

### **Putting things right**

Barclays should put things right for Mr F by:

- Removing the arrears marker if it hasn't done so already.
- Paying Mr R £350 for distress and inconvenience.

### **My final decision**

For the reasons set out above, I uphold Mr F's complaint. I order Barclays Bank UK PLC to put things right for Mr F by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 April 2026.

Sophie Wilkinson

**Ombudsman**