

The complaint

Mr and Mrs O complain that when they asked Bank of Scotland plc trading as Halifax for help with their mortgage, it advised them to take up a nil payment plan. Mr and Mrs O now think this is the worst thing they could have done, and they wanted their credit files repaired.

What happened

Mr and Mrs O said the problem here was Halifax had reported missed payments on the mortgage for their home, in 2025, at a time when they were making their payments. They said this was wrong, and had damaged their credit files. Mr and Mrs O said they were planning to move house, downsizing their property, but they were now unable to get a mortgage from a high street lender because of what Halifax recorded on their credit files.

Mr and Mrs O told us they'd had a few months in the second half of 2024 when their mortgage had been on interest-free payments, under the Mortgage Charter arrangements. When they were coming to the end of that interest-only arrangement, they contacted Halifax again, and said they would have difficulty resuming the full payments.

Mr and Mrs O said they were advised and encouraged to take out a nil payment plan, for three months. They said they acted on Halifax's advice. Mr and Mrs O said they didn't dispute that their credit files would be affected while they were on this plan. So they didn't think it was a mistake for Halifax to have recorded missed payments for them from December 2024 until February 2025, when the plan was in place.

Mr and Mrs O said the problem was that the period of "missed payments" which Halifax recorded extended well beyond that. Halifax had recorded months of further missed payments, after the end of their plan.

Mr and Mrs O said Halifax then told them they could capitalise the arrears that had accrued while they were on their three-month plan, but it needed them to make six monthly payments, and one larger payment. They said they had agreed to start making enhanced payments in July, but Halifax had failed to collect the agreed amounts. They said Halifax only took one of these larger payments, before unilaterally cancelling this arrangement in August 2025. And it was still recording missed payments on their credit files.

It wasn't until 9 October, when their arrears were capitalised, that Halifax stopped recording missed payments for them.

Mr and Mrs O said they had repeatedly pointed out to Halifax the mistakes it had made, but they said it just refused to correct their credit files. They wanted Halifax to remove all the incorrect missed payment markers for 2025, and pay them compensation for the distress and financial detriment they'd suffered.

When Mr and Mrs O complained, Halifax said it didn't think it had made a mistake in how it had reported to credit reference agencies. It said its agent had explained to Mr and Mrs O what the impact of missing payments would be, before this plan started. And letters it sent in December 2024 and February 2025 had also explained the consequences of their plan and

arrears on the mortgage.

Halifax said missed payments were reported from December 2024 to September 2025. It had told credit reference agencies, for each of these months, how far the mortgage account was in arrears at that point in time. Halifax said an arrears balance remained outstanding until 9 October 2025, so reporting missed payments for the period December 2024 to September 2025 was accurate.

When this complaint came to our service, Halifax said it still didn't think it made a mistake by reporting these arrears. But it said it should also have noted that for December 2024 to February 2025, Mr and Mrs O had an agreement in place with Halifax. That doesn't mean that the arrears aren't recorded, but it does show that Mr and Mrs O had taken steps to discuss the difficulties they were having at that time with their lender. So Halifax said it would make this amendment to their credit files, and it offered to pay £75 because this should have been done sooner.

Our investigator didn't think this complaint should be upheld. He said he couldn't agree that Mr and Mrs O had been misled about the impact of not making payments during the nil payment plan. He'd looked at the information reported on their credit files, and was satisfied it was fair. He said Halifax has an obligation to share information with credit reference agencies which accurately reflects the status of Mr and Mrs O's mortgage account. After Mr and Mrs O's nil payment plan ended, they'd started making their monthly payment again, but the arrears remained on the account and still needed to be reported. From December 2024, this mortgage had been more than one monthly payment in arrears, until October 2025 when the arrears were consolidated into the mortgage debt. Their credit files should reflect this.

Our investigator said Halifax had told us it hadn't recorded Mr and Mrs O's arrangement to pay on their credit files, and it should have done this too. Our investigator thought the offer to do that now, plus a payment of £75, was fair. He said there was no evidence Halifax had made any further errors, so he couldn't reasonably ask it to remove or amend adverse information reported.

Mr O wrote to disagree. He said we hadn't given enough weight to the fact that he and Mrs O had relied on Halifax's advice during his call with it on 30 November 2024. Mr O said the nil payment plan was repeatedly described as a normal and common arrangement, and they had been expressly reassured and encouraged to trust the adviser's guidance. Mr O said the advisor had materially downplayed the long-term consequences.

Mr O also wanted to stress that after the nil payment plan ended, he and Mrs O had put a plan in place to make larger payments to clear this debt, but only one enhanced payment was taken before Halifax reverted unilaterally to the standard payment without notice. He said that prolonged the arrears position, and the adverse reporting.

Our investigator said he had listened to the call from 30 November, and didn't agree that the agent had downplayed the long-term consequences of the plan, as she'd explained missed payments would remain on a credit file for six years. And he didn't think she'd said this plan was a normal or common arrangement to undertake. Halifax had then followed this up with a letter explaining the position again.

Our investigator said Halifax had complied with the credit file reporting obligations on it. He still didn't think it had been unfair.

Mr O continued to disagree. He repeated his earlier concerns, and also said because Halifax had since accepted it had made a mistake by not recording an arrangement to pay, he was still worried about whether the overall reporting fully reflected the nature of the arrangement

that was in place at the time.

Mr O wanted to stress how much this was impacting him and Mrs O. He wanted this complaint to be considered by an ombudsman, so it was passed to me for a final decision.

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 think it's worth summarising briefly how, and why, Halifax reports to credit reference agencies, before I look at the facts of this case.

Firstly, reporting to credit reference agencies is, as our investigator said, a legal obligation on Halifax. So it isn't choosing, in this instance, to report adverse information about Mr and Mrs O. It's just complying with its obligation.

All the time that Mr and Mrs O are making their monthly payments, and their mortgage is being paid off as expected, Halifax reports their mortgage status as OK. The pandemic saw the introduction of special arrangements put in place by government which did allow people in difficult circumstances to reduce or miss payments without this being reported on their credit files, but these special arrangements are exceptional, and short term. The normal position is that if someone isn't up to date with their monthly payments, this will be recorded on their credit file.

Mr and Mrs O said Halifax had kept recording missed payments even after they'd resumed their payments, but what Halifax is telling the credit reference agencies each month isn't whether Mr and Mrs O have made their payment that month, or not. What Halifax is reporting, is how many mortgage payments Mr and Mrs O have missed. If they have missed some payments, then restart paying their monthly amount, but don't add extra to make up the payments they have missed, the account is likely to remain in arrears. And in that case, Halifax will continue to report that their mortgage has one or more missed payments on the account, that haven't yet been made up.

I know Mr O was concerned that if Halifax had made one mistake, it could also have made others, but the above is what Halifax is supposed to do.

Mr and Mrs O said we hadn't given enough consideration to how much they had relied on the strong advice and guidance of Halifax's agent. They said that's the only reason they had taken out a three-month zero payment plan. So I have listened carefully to the call Mr O had with Halifax on 30 November 2024, when this plan was agreed.

I can hear that Halifax's agent took a detailed account of the household income and expenditure, and it was clear Mr and Mrs O's income was already little lower than their outgoings, before any allowance was made for paying the mortgage. The agent worked this out, then said Halifax could offer a period of between one to three months with nil payments, allowing Mr and Mrs O a little more time to complete the intended sale of their property.

I can hear that the agent explained monthly payments were still due while the plan was in place, and interest would still be added, so she encouraged Mr and Mrs O to pay what they could during this time. She returned to this later in the call, saying paying what they could, would limit the impact on their credit files. She explained how long missed payments would stay on their credit files, but also said the impact on their files would reduce over time.

I don't think Halifax pushed Mr O to take up the option of zero payments for three months,

and I do think Halifax warned Mr O that his credit file would be affected by this agreement. However, this was a long call, involving a lot of information being passed from Mr O to Halifax so it could work out a household budget, then some very important information from Halifax to Mr O about the nature of the agreement he was entering into.

Because it's easy to miss key pieces of information on a call of this duration, I think it was a good idea for Halifax to follow this up with a letter noting the key points of the agreement Mr and Mrs O had entered into, and raising the same points of warning. And I note it did so. I can see Halifax sent Mr and Mrs O a letter dated 3 December 2024, confirming their payments were paused, and explaining how their credit score would be affected. The letter said this -

Your credit score could be affected

We need to let the Credit Reference Agencies know when payments aren't being made on a plan. This will show on your credit file as missed payments. They use this information to work out your credit score. A lower score could make it more difficult for you to borrow from banks, building societies and other credit providers in the future.

Mr and Mrs O resumed payments in March 2025, and I can see a further letter was sent then. Mr and Mrs O spoke to Halifax on 11 July about how to clear the arrears on their mortgage, and discussed the option of capitalising the arrears. A letter issued the next day, 12 July, confirms that they had agreed to make one larger payment for August.

Mr and Mrs O said that this higher payment amount was intended to be ongoing, but Halifax removed it after only one payment, without their agreement. But the letter of 12 July confirms this arrangement was always intended to be a single higher payment. If Mr and Mrs O had understood differently, they could have contacted Halifax once the letter was received or the next payment was taken, to say they wanted to keep paying a larger amount.

After this one larger payment was made, Halifax didn't just leave Mr and Mrs O without a way to repay their arrears. It wrote to them on 8 September 2025, to prompt the action it had suggested in July, asking whether they would like to consolidate the arrears. When Mr and Mrs O didn't respond, Halifax wrote again on 7 October 2025, saying the same.

Following this, Mrs O got in touch on 9 October, and I can see Halifax acted very quickly to agree and action the requested consolidation. Mr and Mrs O's arrears were consolidated on the same day, and the reporting of arrears stopped that month.

I realise that Mr and Mrs O now very much regret having agreed to the three-month nil payment plan. They've said if they had realised how much this would impact them, they would have sought help from family to cover their mortgage payments instead. But I don't think Halifax failed to provide appropriate information about the plan, and I don't think it was wrong to record arrears on their credit files until these arrears were cleared.

Halifax has said it should also have recorded an arrangement to pay on Mr and Mrs O's credit files for December 2024 to February 2025. That shows other potential lenders that, although Mr and Mrs O weren't making payments during this time, they had spoken to Halifax about this. That is what I would expect to see in these circumstances, so I'm glad to see that Halifax has recognised this. I think Halifax should make that change to Mr and Mrs O's credit files, and I think this amendment, plus a payment of £75 in compensation, provides a fair and reasonable outcome to this part of Mr and Mrs O's complaint.

I know Mr and Mrs O will be disappointed by this, as they were seeking a much more significant amendment to their files. But for the reasons I've set out above, I don't think I can

fairly and reasonably ask Halifax to make this change, in this case. And that means the remainder of their complaint won't be upheld.

My final decision

My final decision is that Bank of Scotland plc trading as Halifax must amend Mr and Mrs O's credit files to show them in an arrangement to pay for this mortgage from December 2024 to February 2025 inclusive and it must also pay Mr and Mrs O £75 in compensation, if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Mrs O to accept or reject my decision before 18 May 2026.

Esther Absalom-Gough
Ombudsman