

complaint

Miss C complains that Nationwide Building Society recorded an arrangement to pay on her credit file without telling her that it would do this. Miss C wants Nationwide to remove the entries.

background

In early August 2015, Nationwide told Miss C that it was going to reduce her overdraft facility from £4,500 to £2,000.

Miss C contacted Nationwide and asked whether it would consider leaving the existing facility in place until the end of September 2015. Miss C explained she had lent money to her family earlier in the year. She expected this back in September, so would then be able to clear her overdraft.

Nationwide agreed but Miss C later found out that Nationwide had recorded an arrangement to pay on her credit file.

Miss C complained but Nationwide wouldn't amend her credit file. Nationwide said it made Miss C aware that the agreement would show for one month on her credit file. And that the bank isn't expected to explain what impact this would have on a customer's credit file.

Our adjudicator recommended that Miss C's complaint should be upheld. He didn't think Nationwide made it clear to Miss C that she'd entered an arrangement to pay. And he was satisfied that Miss C would've asked her family for some of the money back early. Our adjudicator recommended that Nationwide remove the arrangement to pay markers from Miss C's credit file.

Nationwide wasn't willing to do this. It says it told Miss C that the agreement would show on Miss C's credit file. And that even though it didn't specifically use the word "adverse", Miss C should've been aware that any information recorded on a credit file tends to be adverse. The bank also pointed out that it told Miss C it was reaching an "agreement" not an "arrangement".

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions of our adjudicator for the same reasons.

I've listened to the call recording between Miss C and Nationwide. The bank says the agreement to push back the reduction of Miss C's overdraft, will show on her credit file for one month.

I'm not persuaded that Nationwide did enough to make Miss C aware the marker would remain on her credit file for longer than a month. It made it seem like a temporary entry rather than something more permanent.

I'm persuaded that if Miss C had realised the impact this would have on her credit file, she would she would've asked her family to repay part of the money she leant them early. Miss C has given this service evidence that her family repaid the money as agreed toward

the end of September 2015. I don't have any reason to believe they wouldn't have repaid some of this in August.

I find it fair to require Nationwide to remove the adverse entries that it recorded. I appreciate Nationwide say it reached an agreement, rather than an arrangement. But Miss C says the entries on her credit files say "AR", which refers to an arrangement to pay.

my final decision

My decision is that I uphold this complaint. In full and final settlement, I direct Nationwide Building Society to remove the arrangement to pay markers from all of Miss C's credit files.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 15 February 2016.

Gemma Bowen
ombudsman