

complaint

Mr A complains that National Westminster Bank plc is treating him unfairly in the way it reports his accounts on his credit file.

background

Mr A is making reduced monthly payments on two accounts, under a payment arrangement with NatWest.

Mr A says that the credit file reports for the accounts are updated regularly by NatWest with the information that the accounts are in arrangement and payments are up to six months late, and that he has been told this will not change until he has repaid the accounts.

In Mr A's view, this reporting is inaccurate and unfair. He accepts that the accounts should show as being in arrangements, but considers that – as he is keeping to those arrangements – NatWest should report that repayments are up to date. He would like NatWest to change the reports accordingly, and to pay him compensation in respect of each month the previous information had been registered.

NatWest did not resolve Mr A's complaint, so he brought it to the ombudsman service where an adjudicator investigated it. From the evidence, the adjudicator felt that the information reported on the accounts was not inaccurate or unfair.

That was because the contractual loan repayments had not been met for a considerable length of time and the overdraft debt was in excess of its limit when the debt repayment arrangement was put into place. Overall, the adjudicator did not recommend that the complaint should succeed.

Mr A did not agree and said, in summary:

- NatWest agreed to reduce repayments for these accounts and he has kept to that arrangement. So the payments are up to date, and that is what should be reported on his credit file. There is now a set payment that he has to make to the accounts each month, and he is making it. He does not understand why the adjudicator does not see that.
- He has had arrangements for other debts, which showed on his credit report as being in arrangement with payments up to date. That is what should happen for these accounts, too.
- The information NatWest has registered is not a true and accurate reflection of the debts. He accepts that the contractual monthly repayment for the loan was not met, but that was superseded by the new monthly payment for the debt repayment arrangement – which he has kept to.
- He had wanted the adjudicator to negotiate with NatWest on his behalf to see whether he could increase his monthly repayment for the loan debt back up to the original contractual amount, and also make higher monthly repayments on his overdraft debt. That has not happened and was not mentioned by the adjudicator when he wrote with his view about the complaint.

- There is also no mention of his claim for compensation for his time and the distress he has been caused.
- NatWest never gave him a final response on his complaint within the required time, which cannot be right and must breach relevant codes.

my findings

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

I can follow Mr A's reasoning about why he considers his debts should be reported being in arrangements, but with payments up to date. But I don't accept that he is right. That is because, in the context of how credit file reporting is done, payments are missed whenever the full contractual repayment has not been made.

If there has been an arrangement that the consumer may pay reduced amounts (as here) then that will be reflected in the credit report. But a repayment arrangement is intended to provide an alternative to default and debt recovery – it allows some respite until full repayments can be resumed and does not mean that the contractual repayments due under the agreements have changed.

Mr A took a loan of around £5,000 which required him to make monthly repayments of £138.27 and he had an overdraft facility of £4,750, repayable on demand, which he had exceeded. NatWest granted a reduced repayment arrangement, during which Mr A is allowed to pay monthly amounts of £34.90 and £35.82 respectively towards these accounts.

So, whilst I accept that Mr A has paid the reduced amounts each month, I do not agree that this means NatWest should, properly, record the payments on the accounts as being up to date. The exact wording of credit file information will vary between the different credit file companies, but I don't see that NatWest has provided wrong or unfair information about these accounts. In view of that, I can't uphold Mr A's complaint or make NatWest pay him compensation.

I am not in a position to comment on other payment arrangements which Mr A says he has made and which he says do not include reference by the creditors to missed payments.

Mr A has mentioned the possibility to reverting back to the contractual repayments on his loan and increasing the payments towards his current account debt. If Mr A feels he can afford to pay more towards these accounts, then he is certainly entitled to do that. But resumption of full repayments would not, of itself, mean NatWest must remove the references to late payments.

I appreciate that Mr A was frustrated that NatWest did not respond fully to his complaint. But that did not prevent or delay his bringing the matter to this service and does not make a difference to the merits of his complaint.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 January 2016.

Jane Hingston
ombudsman