

complaint

Mrs C complains about National Westminster Bank Plc ("NatWest") for the way it has reported her debt management plan on her credit file. She wants NatWest to remove reference to late payments from her credit file.

background

Mrs C has been a customer of NatWest for some time, holding two accounts with the bank.

In 2013 she decided to consolidate debts she had over several accounts, as her income was soon due to reduce.

She entered into a voluntary debt management plan with a debt advisory service in late 2013. This consolidated her debts across three banks, including NatWest.

Interest and charges stopped being applied to her accounts at that time and she arranged regular repayments to those banks.

Mrs C has made all her repayments on time since the plan was agreed. Her debts with NatWest were cleared and the accounts closed in late 2017 and mid 2018 respectively.

Mrs C obtained her credit report from Experian and saw that NatWest had been reporting what appeared to be late payments to her accounts since that agreement was made. NatWest had also reported a default on Mrs C's credit file in error.

Mrs C contacted NatWest and raised a complaint in early 2018, regarding the reporting of a default.

NatWest sent Mrs C its final response letter in February 2018. It set out that it accepted that the default was inappropriately reported and this was removed. NatWest also paid Mrs C compensation for this error.

Mrs C was satisfied with this outcome regarding the default being removed, but she was concerned that her credit report still appeared to be showing late payments. NatWest said that the reporting of her arrangement was correct and that it was satisfied no error had been made.

Mrs C then contacted us and asked us to consider her complaint.

One of our investigators has looked into this matter and has set out her view to Mrs C. She explained that whilst it appeared that the Experian report showed late payments, by the number '6' appearing in each month entry since October 2013, the explanatory document from Experian set out that this is not how it should be read.

She explained that entries for current accounts were different to credit accounts, and an entry of '6' meant that the contractual repayments on the account were more than three months behind, but that the customer had agreed new repayments to bring the account in order.

Our investigator considered that this being reported for Mrs C was correct because Mrs C had made an agreement outside of the ordinary contractual terms of an overdraft, so that her debt stopped accruing interest and charges. At this point she stepped outside of the normal terms of her overdraft and made an alternative arrangement. The investigator obtained a copy of NatWest's

instruction to Experian and it confirmed that the bank reported that Mrs C was in an arrangement, rather than late in her repayments.

Mrs C was not satisfied by this and so the matter was referred for an ombudsman decision.

my findings

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

Firstly, I understand Mrs C's concern and agree that on first reading of her credit report it does appear to show late payments. I appreciate how worrying this would be to Mrs C when she has made all of her agreed payments on time.

I have reviewed the instruction sent by NatWest to Experian, and confirm that this instructs them to remove the default and instead report an arrangement. I have also reviewed the explanatory document on Experian's website which explains that current accounts are reflected differently. This is because they are more flexible than credit accounts and do not have set repayments for things like overdrafts.

Whilst I understand Mrs C's concern, I agree with the position set out by the investigator. This is that NatWest has properly instructed Experian to report an arrangement. I also note that the detail of the arrangement is included within the credit report.

Whilst I appreciate that this will be disappointing to Mrs C, the information recorded is accurate and I cannot see any evidence of an error in NatWest's current reporting.

As a result I will not ask NatWest to do anything further.

my final decision

For the reasons set out above, I do not uphold Mrs C's complaint and do not ask National Westminster Bank Plc to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 17 August 2018.

Laura Garvin-Smith
ombudsman