

The complaint

Mr P is unhappy that Bank of Scotland plc, trading as Halifax, placed adverse markers on his credit file.

What happened

In March 2023, Mr P made a payment of £10.39 to Halifax to clear the outstanding balance on his credit account at that time. The following month, Mr P made an indemnity claim to recover the payment that he'd made because he didn't understand where the £10.39 balance had come from. But because Mr P had the £10.39 payment reimbursed via the indemnity claim, this meant that his credit account balance of £10.39 for the prior month wasn't paid. And this meant that Halifax reported a missed payment for that month to Mr P's credit file. Mr P wasn't happy about this, and he also wasn't happy about an overlimit marker that had been applied to his credit file by Halifax previously. So, he raised a complaint.

Halifax responded to Mr P's complaint and said that the overlimit marker had been applied to his credit file correctly. However, regarding the £10.39 late payment marker, while Halifax noted that they didn't have a recording of the call to confirm exactly what Mr P had been told, they felt that it might have been the case that the legitimacy of the balance wasn't clearly explained to Mr P. And Halifax also felt that if Mr P had been clearly told that the £10.39 balance was legitimate, he might not have requested the reimbursement that caused him to miss the payment. And because of this, Halifax agreed to remove the late payment marker from Mr P's credit file and sent a cheque of £75 to him by way of compensation.

Mr P wasn't satisfied with Halifax's response because he felt the late payment marker had directly caused a mortgage application he'd made to be declined, and that a larger amount of compensation was therefore merited. So, he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that Halifax's response to the complaint, including the removal of the late payment marker from Mr P's credit file and the £75 compensation, already represented a fair resolution to what had happened. Mr P remained dissatisfied, so the matter was escalated to an ombudsman 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.

Having done so, it's clear from Mr P's credit account statements that on 12 July 2018, Mr P made a transaction for £3,814.95, at a time when his credit limit for the account was only £3,500. I'm therefore satisfied that Mr P did exceed the credit limit on his account by way of this single overlimit transaction, and that therefore Halifax's reporting his account as going overlimit on his credit file for that month is both correct and fair. And so, I won't be upholding this aspect of his complaint.

In January 2023, Mr P made a payment to his credit account to clear the outstanding amount owed on the account and leave the account with a zero balance. He then made a purchase

for £111.08 and received credits into the account of £16.99 and £83.70. And this purchase amount of £111.08, minus the combined credits amount of £100.69, left an outstanding balance on his account of £10.39 – which was explained to Mr P via his February 2023 account statement.

Mr P paid the £10.39 balance in March 2023, but then requested its reimbursement from Halifax the following month, having explained to them that he didn't understand where the £10.39 balance had come from.

Halifax note that they don't have a recording of the telephone call when Mr P advised that he didn't understand the £10.39 balance and requested its reimbursement. And because of this they've accepted that the legitimacy of the £10.39 balance might not have been explained to Mr P by their agent on the call, and that Mr P might not have requested the reimbursement if the legitimacy of the balance had been explained to him. And Halifax agreed to remove the late payment marker that Mr P had incurred on his credit file because he requested the reimbursement of the legitimate monthly account payment he'd made, and they also sent a £75 cheque to Mr P as compensation for any trouble or upset he may have incurred.

Halifax's position on this aspect of Mr P's complaint seems generous to me. I say this because I feel the legitimacy of the £10.39 balance was clearly explained to Mr P on his February 2023 account statement, which showed the purchase and credits which led to the £10.39 as I've described above. And that it should have been evident to Mr P via a relatively simple monitoring of his credit account, in line with his responsibilities as the account holder.

I make this point because Mr P has claimed that the presence of the late payment marker on his credit file, before Halifax removed it, directly led to a mortgage application he'd made being rejected. And he's seeking a much larger level of compensation from Halifax than the £75 they've already sent him because of this.

But I feel that Mr P, as the account holder, should reasonably have been aware how the £10.39 balance had occurred, given that it involves three transactions and given that it was clearly described on his account statements. And I find it difficult to understand what Mr P expected to happen when he requested the reimbursement of a £10.39 monthly account payment that was described as being outstanding on his account statements – other than that a missed payment would be retrospectively recorded against him for that month.

Additionally, Mr P's credit file already had adverse reporting because of the correctly applied overlimit marker in 2018. And while our investigator has explained to Mr P that this service would only consider awarding consequential loss as Mr P claims occurred here if he can provide evidence to confirm that his mortgage application was declined solely because of the late payment marker in question, Mr P hasn't provided any such evidence. And so, taking all these factors into consideration, I also won't be upholding this aspect of his complaint.

All of which means that I don't feel that Halifax need to do anything further to that which they've already done in response to Mr P's complaint, and so I won't be instructing them to take any further or alternative action here. I realise this won't be the outcome Mr P was wanting, but I trust he'll understand, given what I've explained, why I've made the final decision that I have.

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 P to accept or reject my decision before 15 January 2024.

Paul Cooper
Ombudsman