

The complaint

Miss H complains that Santander UK Plc failed to set up her direct debit payment for 15th of each month which resulted in her missing a payment and having adverse data recorded on her credit file.

What happened

Miss H holds a credit card account with Santander.

The payment due date on Miss H's account was 9 August 2023. The direct debit attempted to collect on 8 August 2023 but was returned unpaid. A late payment fee of £12 was applied to the account on 14 August 2023. Following this, a Notice of Sums in Arrears was issued on 14 August 2023.

Miss H contacted Santander on 23 August 2023 and said she thought that they would try to take the direct debit payment a week later if a payment was unsuccessful. She paid the August payment and Santander agreed to refund the late payment fee. Miss H also requested to change the direct debit payment date to 15th of each month.

Miss H's direct debit payment date wasn't changed. Adverse data was reported on her credit file. In November 2023 she contacted Santander to complain.

In its final response, Santander said the direct debit date should have been amended when Miss H called in August. It apologised that this hadn't been done. In relation to the late payment marker from August, Santander said it couldn't remove the late payment marker from her credit file.

Miss H remained unhappy and brought her complaint to this service.

Our investigator upheld the complaint in part. She said she was unable to say that Santander should amend Miss H's credit file as the August 2023 payment was paid late. But she said that Santander had failed to amend Miss H's direct debit payment date as promised from October 2023, which resulted in Miss H having to spend time contacting Santander. The investigator said that Santander should pay compensation of £50 for the service failing.

Santander accepted the investigator's view. But Miss H didn't. She said that although she was happy with the compensation of £50, she wanted the late payment marker removed from her credit file. She said it wasn't her fault that the payment was late because Santander took the direct debit on a different date to the date she had requested.

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.

Santander has acknowledged that it made an error when it failed to amend Miss H's payment date as promised during the call dated 23 August 2023. It has accepted the investigator's recommendation for compensation in this respect, and Miss H has also

confirmed her agreement to this part of the investigators view. So, I won't be commenting further on the service failing, save to say that I agree with the investigator that compensation of £50 is fair and reasonable.

I appreciate that Miss H wants the late payment marker removed from her credit file as well. So, I've looked at whether Santander made an error when it reported the late payment to the credit reference agencies.

I've looked at the account statements and I can see that Miss H's payment due date for August 2023 was 9 August 2023. The minimum payment required was £15.00. Miss H's direct debit attempted to collect on 8 August 2023, but it was returned unpaid. Miss H didn't make the payment until 23 August 2023. By this time, Santander had issued an arrears notice and applied a late payment fee to the account.

Miss H has said that Santander knew that it made an error over the late payment because it refunded the late fee. I don't agree that Santander has acknowledged an error, but I can see that the late fee was refunded as a gesture of goodwill, as this was the first time that Miss H had been late with a payment.

Miss H has also said that the late payment was Santander's fault because it took the direct debit on a different date to the date she requested. I've looked back over the account and I can see that the statements from October 2022 onwards show that Miss H's direct debit date ranged from 7th to 10th of each month. I'm satisfied that Miss H knew – or ought to have known – what the payment due date was, as this was clearly shown on the statements.

I appreciate that Miss H has said that she used the app to set up her direct debit on 15th of each month, but the evidence doesn't bear this out, and I haven't seen anything to suggest that she made a request to change the direct debit date to 15th of each month prior to the phone call dated 23 August 2023.

Taking everything into account, I'm unable to say that Santander made an error when it reported the late payment. Lenders are under an obligation to provide accurate information to the credit reference agencies and the late payment reflected the state of Miss H's account at the time. So I won't be asking Santander to amend the credit file.

Putting things right

I uphold the complaint in part. Santander UK Plc must pay compensation of £50 to Miss H to compensate her for the distress and inconvenience caused when it failed to amend her direct debit date in October 2023.

My final decision

My final decision is that I uphold the complaint in part. Santander UK Plc must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 21 May 2024.

Emma Davy
Ombudsman