

## **The complaint**

Mr L complains that Klarna Bank AB (publ) recorded a missed payment marker on his credit file.

## **What happened**

Mr L purchased a sofa and entered into a finance agreement with Klarna.

Mr L says that in or around January 2023 he checked on the Klarna app and saw that there was nothing outstanding on his account, so he cancelled his direct debit.

Mr L later discovered that Klarna had recorded a missed payment marker on his credit file.

Mr L complained to Klarna and asked it to remove the marker. Klarna didn't uphold the complaint so Mr L referred the matter to this service.

Our investigator didn't uphold the complaint. They said that because Mr L had cancelled his direct debit payment before his final payment could be collected, a payment remained outstanding. The investigator said because Klarna had sent Mr L notifications that the payment hadn't gone through in January and February 2023 and because he didn't settle the account, she didn't think Klarna had acted unfairly or unreasonably by recording a missed payment marker on his credit file.

Mr L didn't agree. He said there had been an issue with Klarna's systems when he checked his account and the system showed that he had completed his final payment so he thought he could cancel his debit. Mr L said he didn't look at any subsequent emails from Klarna. He said that if Klarna had called him and advised him that he'd missed his last payment he would've paid it immediately.

## **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.

I've reviewed the system notes provided by Klarna. These show that an email was sent to Mr L on 30 December 2022 advising him that his bank account would be debited by direct debit on or shortly after 6 January 2023 in respect of a payment due on 30 December 2022.

I can see that Klarna requested the direct debit on 4 January 2023 and received notification from Mr L's bank that it had failed on 9 January 2023. The reason for failure was stated as the direct debit having been cancelled on 5 January 2023 before payment could be collected.

Mr L doesn't dispute that he cancelled his direct debit. He says he did this because he thought – based on what he'd seen on the Klarna app – that he'd settled his account.

I understand that Mr L thought that his account had been settled. However, I can see that Klarna sent a notification to him on 9 January 2023 advising him that the payment hadn't

gone through. I can see from Klarna's system records that the notification was opened by Mr L.

I can see that Klarna sent Mr L a statement by email on 4 February 2023 advising him that a payment of £231.99 was due by 28 February 2023. I can see from Klarna's system records that the email wasn't opened until 12 April 2023.

I can see that Klarna sent a payment reminder to Mr L on 26 February 2023, reminding him that the payment of £231.99 was due by 28 February 2023. I can see from Klarna's system records that the reminder was opened on the day it was sent.

I can also see that Klarna sent Mr L a statement by email on 5 March 2023 advising him that a payment of £233.64 was due by 31 March 2023. I can see from Klarna's system records that this email was never opened.

Based on everything I've reviewed, I'm satisfied that the reason why Mr L's payment wasn't collected was because he cancelled the direct debit.

I appreciate that Mr L thought he'd settled the account. I'm unable to comment on what Mr L saw when he checked his Klarna app, because he hasn't provided a screenshot of this.

I've looked at the statement which was produced on 4 January 2023 and sent to Mr L which shows that a payment of £230.40 was paid and that the balance was £0. Klarna has said that the statement reflected the fact that it was produced at the same time as the direct debit was in the process of being collected.

I understand why Mr L thought he'd settled the account. However, I think Mr L ought to have been aware that there was an outstanding payment. I say this because of the notification sent to Mr L by Klarna on 9 January 2023 and payment reminder email sent on 28 February 2023, both of which were opened on the day they were sent. I also think it would've been clear to Mr L that his final payment hadn't been made if he'd checked his bank account.

Taking everything into consideration and whilst I understand that Mr L has now settled the account, I'm unable, to say that Klarna has made an error or that it has acted unfairly by reporting the missed payment. Klarna is under an obligation to report accurate information to the credit reference agencies and therefore it was obliged to report the missed payment.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 January 2024.

Emma Davy  
**Ombudsman**