



The complaint

Mr D complains Nationwide Building Society reported a missed payment on his credit file.

What happened

Mr D missed a payment to his Nationwide credit card. The payment was due to be made by direct debit and Mr D says there wasn't enough money in his account to cover the payment.

Mr D says Nationwide wrote to him about the missed payment and he made a payment soon after he received the letter. Mr D then realised Nationwide had reported a missed payment on his credit file.

Mr D complained to Nationwide, saying this was unfair and had a huge effect on his ability to get credit elsewhere.

Nationwide responded to say it hadn't done anything wrong, Mr D missed a payment and it reported it to the credit reference agencies. Nationwide said it had an obligation to report factual information to the credit reference agencies.

Mr D brought his complaint to this service and an investigator looked into things. The investigator didn't think Mr D's complaint should be upheld. The investigator said the terms and conditions laid out what might happen if Mr D missed a payment.

The investigator didn't think it mattered a letter was sent, Mr D had missed the payment and this is what's been reported by Nationwide.

Mr D disagreed and said his payment was late, not missed. Mr D said the missed payment was unnecessarily punitive and doesn't make him a risk to other lenders.

And Mr D said other lenders contact Mr D direct or try to take any missed payments later.

Mr D thought Nationwide was taking a very rigid view of the rules when other lenders weren't. Mr D felt Nationwide was treating him unfairly as other lenders had other, fairer policies around missed payments.

Mr D asked for an ombudsman to decide his complaint.

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.

There's no dispute Mr D didn't make a payment when he should have. Mr D says there

wasn't enough money in his account to cover the direct debit to Nationwide.

This means I think Mr D missed his payment to Nationwide. Mr D's borrowed money from Nationwide, via his credit card, and the terms and conditions state Mr D must make a monthly payment by a specified date.

Mr D didn't make this payment, so I think Nationwide is fair to tell the credit reference agencies he missed the payment.

Mr D says his payment wasn't missed, it was late. I think the payment was missed. There was a specific date Mr D had to make the payment on, and he didn't. This means Mr D missed the required payment, regardless of whether he caught it up later.

Mr D says Nationwide could have contacted him another way, quicker than post. Like the investigator, I don't think this would have meant Mr D didn't miss his payment. Mr D might have made the successful payment a little quicker, but he'd already missed the payment.

Mr D also says other lenders might not report a missed payment as quickly, or try and take the direct debit again, later in the month. I can't comment on what other lenders do, only what Nationwide did in Mr D's specific complaint.

Mr D says the effect of the missed payment is great, but the impact on Nationwide is negligible. Mr D doesn't think the missed payment makes him a risk, so it's unfair to continue to record it.

The Information Commissioner's Office lays out the Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies. Principle two says:

If you do not make your regular expected payment by the agreed time and/or for the agreed amount according to your terms and conditions, the account may be reported to the CRAs as being in arrears.

I think Nationwide has followed this guidance. Mr D didn't make his expected payment by the agreed time.

I don't think Nationwide was being too rigid here, it was following the correct guidance. If the effect of this missed payment is great, it's an effect coming from the reasonable decision by Nationwide to report a missed payment.

Mr D has mentioned Nationwide's terms say it 'may' report to the credit reference agencies. There's no obligation for any credit provider to report an account to a credit reference agency. But, if it chooses to, it should report factual information.

Nationwide has chosen to report Mr D's account to a credit reference agency, so I think it's fair to then tell it Mr D missed a payment.

I realise Mr D's ability to get credit will be affected by this missed payment. And other lenders may view Mr D as a risk, because he's missed previous payments to lending.

But I think what Nationwide reported, that Mr D had missed a payment, was a fair thing to do. Regardless of the effect this missed payment is having on Mr D it's an accurate record of what happened, so I can't fairly ask Nationwide to remove it.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 22 August 2023.

Chris Russ
Ombudsman