

The complaint

Mrs P complains that Clydesdale Bank Plc trading as Virgin Money has incorrectly applied late payment markers to her credit file.

What happened

Mrs P sent Virgin Money a cheque to pay her credit card, but this wasn't processed in time due to Christmas. She contacted Virgin Money about this and the interest was refunded but the late payment marker wasn't removed. She was also told that she had another late payment marker on her account which she says shouldn't have been applied as it related to a month where the only transaction was in dispute.

Virgin Money issued a final response letter dated 28 February 2023. It didn't think it had acted incorrectly. It said that the cheque payment Mrs P sent was received on 3 January 2023 and processed and authorised on 6 January 2023. It noted Mrs P also made a bank transfer of 4 January 2023. It said it didn't report a late payment for January 2023 as Mrs P's account was brought up to date. Prior to that it said two late payment markers had been recorded on Mrs P's credit file due to the payments missed on 16 November 2022 and 18 December 2022.

Mrs P referred her complaint to this service. She didn't accept that the payments had been missed and she wants the late payment markers removed from her credit file.

Our investigator didn't uphold this complaint. He found that Virgin Money had acted fairly in this case and that the markers had been correctly added to Mrs P's credit file.

Mrs P didn't accept our investigator's view and asked for her complaint to be reviewed by an ombudsman.

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.

Mrs P thinks that two late payment markers have been unfairly added to her credit file. Virgin Money has explained these relate to the payments that were due on 16 November 2022 and 18 December 2022.

Virgin Money is required to provide accurate information to the credit reference agencies which provides a true reflection of Mrs P's account. Given this I would only be able to require Virgin Money to remove the markers if I was satisfied that these had been applied incorrectly or didn't provide an accurate reflection of Mrs P's account.

I have looked at Mrs P's statements from the time and I can see that on her statement dated 27 October 2022 the minimum payment is set out as £18.98 to be paid by 16 November 2022. And on her statement dated 27 November 2022 the minimum payment is set out as £25 to be paid by 18 December 2022.

Mrs P says that she didn't make the payment of £18.98 in November 2022 because this transaction was in dispute as she hadn't received the item. On 8 November Mrs P sent an email as a response to an email received about a previous dispute. She said she had paid £18.98 for an item that hadn't been received and asked if this could be queried for her. While I can see that she said she hadn't paid the amount and didn't want interest to be added, I do not find I can say this is enough to say that she wasn't required to make the minimum payment due on 16 November. I say this because Virgin Money has explained that the dispute wasn't raised in the correct way, and I have nothing to suggest that Mrs P was told in response to her 8 November email that she was no longer required to make a payment. So, while I note the comment about interest not being charged, I do not find I can say that Virgin Money did anything wrong by notifying the credit reference agencies when the minimum payment wasn't made.

Mrs P was then required to make a minimum payment of £25 by 18 December. She has explained that she posted a cheque on 14 December, but this wasn't received in time. Mrs P contacted Virgin Money on 3 January and the cheque hadn't been received at that time. I think Virgin Money acted fairly by removing the interest charged but I do not find I can say it is also required to remove the marker from Mrs P's account. This is because it was Mrs P's responsibility to make sure her payment was made on time and had she been concerned about postal delays she could have made the payment a different way, as she did on 4 January. Therefore, while I accept Mrs P sent her cheque for payment as this wasn't received in time I cannot say that Virgin Money was wrong to apply the late payment marker. Mrs P then brought her account up to date and so no late payment markers were applied in January 2023.

While I understand Mrs P's comments about the markers on her credit file, as I do not find I can say these have been applied incorrectly, I do not require Virgin Money to remove these.

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 Mrs P to accept or reject my decision before 28 December 2023.

Jane Archer
Ombudsman