

The complaint

Mr J complains that Admiral Financial Services Ltd trading as Admiral Money didn't provide the service it should have and unfairly added adverse markers to his credit file.

What happened

Mr J was provided with a £18,000 loan by Admiral Money in April 2021. The loan term was 48 months and Mr J was required to make monthly repayments of around £474.

Mr J says he contacted Admiral Money in July 2022 to discuss the loan. He says that Admiral Money had applied an adverse marker to his credit file. He says the complaint handler wasn't able to help him and so he was passed to a complaints manager. He then wasn't contacted until October 2022. Mr J says the incorrectly reported missed payment on his credit file meant he was unable to arrange accommodation when he moved to London and had to pay for temporary accommodation and all the associated costs of this. He thinks that Admiral Money should refund him these costs and pay compensation for the mistakes made, poor communication and the stress the issue has caused.

Admiral Money said that Mr J contacted it on 24 August 2022 to say it had reported a missed payment on his credit file. The agent believed this to relate to the payment due on 1 August and as this was paid only one day late, they agreed to change the reporting and pay Mr J £40 compensation. However, it was then identified that the issue related to arrears being reported because Mr J wasn't in an arrangement at the time. Admiral Money informed Mr J about this mistake but said that although the reporting was correct, it would honour the original decision as a gesture of goodwill and requested that Mr J's credit file be updated.

Mr J then raised further issues. He said that Admiral Money had failed to take his final arrangement payment in August 2022 and that he wasn't told he had to set up an arrangement by a certain date to prevent arrears being reported. In response to these issues, Admiral Money said that it hadn't done anything wrong regarding the August payment but accepted it had made other mistakes regarding the setting up of the new payment arrangement and the reporting of the arrears. It said that it amended Mr J's credit file and because of the issues raised it paid Mr J £600 compensation.

Mr J raised a further complaint in February 2023 about Admiral Money not providing enough notice for a payment arrangement to be set up and that he wasn't told the implications of a payment arrangement on his credit file and that this would be reported for six years. Admiral Money didn't uphold this complaint. It said Mr J was provided with information about the need to set up a new arrangement when the previous one ended and that the payment arrangement markers had been applied correctly to Mr J's credit file.

Our investigator considered the complaint points raised by Mr J and the actions taken by Admiral Money. Based on this she didn't require Admiral Money to do anything further in resolution of the issues.

Mr J didn't agree with our investigator's view. He said that Admiral Money should be held more accountable for the impact its mistakes had on him. He noted the costs he had

incurred for the temporary accommodation and the additional costs incurred because of this.

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.

Mr J has raised several issues. I have looked through all the issues raised and while I may not address every individual point, I can assure Mr J that I have looked through all the evidence provided to reach my decision. As our investigator did, I will deal with each complaint point separately and explain my reasoning for my decision.

Complaint point 1: Admiral Money failed to collect Mr J's direct debit on 1 August 2022

Admiral Money said that Mr J's bank account details changed on 27 July 2022 and so it was unable to apply for his final direct debit payment due under the arrangement on 1 August 2022. While I appreciate this was an inconvenience for Mr J, as he had changed his account details and noting the time it can take for a new direct debit instruction to be set up, I do not find I can say that Admiral Money was at fault here.

Mr J has said that he didn't change his direct debit but switched his account and when he spoke to Admiral Money ahead of the payment date to make a manual payment, he was told that Admiral Money would be able to collect the payment. I note a manual payment was made on 2 August. Unfortunately, I have no further details about this discussion. But as the issue that arose from this was that the account was reported as arrears on Mr J's credit file and this issue is dealt with below, I do not find that I need to directly address this point.

Complaint point 2: Mr J wasn't made aware of the urgency of setting up a new agreement in August 2022

Having looked through the information provided and having listened to the calls; I find that Admiral Money did provide Mr J with the information he needed to understand that a new arrangement would need to be set up when the old one ended if arrears were to be avoided. On a call in April 2022, Mr J is told that his last payment due on his arrangement was due on 1 August 2022. He asks about the end of the arrangement and is told "it's in your interest to contact us as soon as the arrangement is up which is 1 August, because if there's not an arrangement set up within a certain period, we'll then report the account as in arrears."

Given the above, I do not uphold this part of Mr J's complaint.

Complaint point 3: Admiral Money incorrectly reported arrears to the credit reference agencies (CRAs)

Admiral Money upheld this part of Mr J's complaint. It sent an amendment request to the credit reference agencies. It has provided evidence to show that the reporting was amended with two credit reference agencies on 24 August and a request was sent to a third agency that day and it confirmed the credit file had been updated on 13 September 2022.

Mr J says that the presence of this marker meant he wasn't able to access other credit or secure a rental agreement for a property resulting in him having to live in temporary accommodation. I note the costs Mr J has explained and I understand that this would have been a stressful time for him. But for me to say that Admiral Money is liable for his costs I would need to be satisfied that the arrears it recorded was the only reason why Mr J may have struggled to secure the credit and rental agreement. Having looked through Mr J's credit file from the time I can see that he had markers applied in November and December

2021 on one of his credit cards and was in an arrangement on another credit card in 2020. Therefore, I cannot say that the information recorded by Admiral Money was the only adverse data recorded on Mr J's credit file and so I cannot say it was the only reason why he may not have been able to move ahead with other credit applications.

I also note that the expenses Mr J has evidenced in regard to his accommodation relate to a period from 21 September 2022. Mr J's credit file had been amended by this point. While Mr J may not have been aware of this at that time, the correct information would have been available to any prospective lenders.

Admiral Money paid Mr J a total of £640 compensation for the distress and inconvenience caused by the reporting of the arrears in August 2022. While I understand that Mr J doesn't think this is enough and I am sorry to hear of the issues he experienced, taking into account when Admiral Money amended Mr J's credit file and the other information that was recorded on Mr J's credit file I do not require Admiral Money to pay anything further in response to this complaint point.

Complaint point 4: Admiral Money didn't provide enough time for Mr J to set up a new arrangement in February 2023

Mr J raised a complaint in February 2023 that he wasn't given enough time to set up a new arrangement on his account. He noted he was only given a few days to complete a new income and expenditure form and set up the new arrangement. I have listened to the call on which Mr J discusses this issue and looked through the contact notes.

Admiral Money contacted Mr J on 9 February 2023 to tell him his arrangement had ended. It sent him a copy of his previous income and expenditure form and said a new arrangement could be set up if Mr J's circumstances hadn't changed. Mr J's new arrangement needed to be set up by 14 February to prevent arrears being reported on Mr J's credit file. I appreciate this didn't give Mr J much time, but Mr J was aware of the terms of his previous arrangement and the need to contact Admiral Money when this ended to set up a new one to prevent any arrears being recorded as this had been discussed on his previous arrangements. An appointment was arranged for 14 February and the new arrangement put in place and so while I understand Mr J may have felt rushed this situation didn't result in any material disadvantage to him.

Complaint point 5: Admiral Money didn't make Mr J aware that an arrangement to pay would remain visible on his credit file for six years

I understand the point Mr J has made but on the call on 29 April 2022, he is clearly told that once the arrangement to pay has ended it will still remain on his credit file. While six years wasn't mentioned, it was said it would remain for a period of time and Mr J didn't ask for further details at that point. So, I find that Mr J was made aware that the arrangement would impact his credit file and that this would remain in place even when the arrangement had ended. I have nothing to suggest that had six years been noted that this would have changed Mr J's decision in regard to the arrangement as given the other information provided, he was unable to maintain his scheduled repayments. Therefore, while I understand that the point made, I do not require Admiral Money to do anything further in regard to this issue.

In conclusion, I find that the compensation already paid to Mr J is reasonable in this case and I do not require Admiral Money to do anything further.

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 J to accept or reject my decision before 2 November 2023.

Jane Archer
Ombudsman