

## **The complaint**

Mr W complains that National Westminster Bank Plc (NWB) reported adverse information on his credit file.

## **What happened**

Mr W took out a loan with NWB in June 2022. In February 2023 Mr W lost his job. He contacted the banks forbearance team and they agreed to place a hold on his payments for three months. A further 30 days forbearance was agreed on 7 July 2023.

Mr W says he wasn't advised that the payment break would impact his credit file. He says he was told by the agent that it wouldn't affect his credit rating. Mr W says that this has turned out to be untrue and that if he'd been made aware of this, he would've made the loan payments from his business account rather than take the payment break.

Mr W complained to NWB. It didn't uphold the complaint. It said it had listened to the call with the agent and found that Mr W had been given information about the impact of the payment break on his credit file. NWB said it was under an obligation to report accurate information to the credit reference agencies.

Mr W remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said the evidence showed that Mr W was told that the payment break he was agreeing to would affect his credit file. The investigator said that NWB hadn't made an error.

Mr W didn't agree so I've been asked to review the 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.

I've listened to the call dated 2 March 2023. Mr W told NWB that he'd lost his job and was experiencing financial difficulties and asked about a payment break. The NWB agent advised Mr W that any missed payments would affect his credit file and negatively impact his credit score, and that in order to avoid this happening Mr W would need to make the full contractual payment. Mr W asked for further information about the credit impact and the agent explained that it might be difficult for Mr W to obtain credit in the future. The agent repeated that if Mr W entered into a payment break there would be a credit file impact. During the call Mr W told the agent that he wanted the payment break and said he accepted the credit file impact as he couldn't pay the loan. At the end of the call the agent repeated that any arrears on the account would impact Mr W's credit file, and this may impact his ability to obtain credit from other lenders and that it would be noted on Mr W's credit file that he was in a reduced payment arrangement with the bank. On the call Mr W said that he understood and that he was happy with this.

Having listened to the call I'm unable to agree with Mr W that NWB didn't advise him of the impact on his credit file. Based on what I've heard on the call, NWB gave a clear explanation to Mr W of how his credit file would be impacted and repeated this information during the call.

I appreciate that Mr W hoped to be back in work after 3 months and begin making his usual payments again and clear the arrears. But this didn't happen. And even if it had happened, the payment arrangement would still have been reported to the credit reference agencies. This is because NWB is under an obligation to provide accurate information to the credit reference agencies, I can't say that NWB made an error by reporting to the credit reference agencies that Mr W was in a payment arrangement.

For the reasons I've given, I'm unable to uphold the complaint.

### **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 W to accept or reject my decision before 8 February 2024.

Emma Davy  
**Ombudsman**