

The complaint

Mr D complains that following his account closure in June 2022, Metro Bank PLC returned payments he'd made towards a repayment plan which resulted in missed payments on his credit file.

What happened

Mr D holds a credit card account with Metro Bank. In 2022 Metro Bank issued a notice to close the account and asked Mr D to repay the balance on the account by the closure date.

Mr D says that he agreed a repayment plan and made payments but many of these were returned to his bank account and missed payments were reported on his credit file.

Mr D sent lots of emails to Metro Bank, made lots of telephone calls and visited branches on several occasions trying to resolve things. He complained to Metro Bank and requested removal of the credit file markers.

In its final responses, Metro Bank said it had carried out a review to see why the payments hadn't been accepted. It said an incorrect process had been followed whereby payments had been rejected without prior checking, instead of being reviewed on a case by case basis. Metro Bank said the Payments Team should have contacted Mr D to discuss the matter, but this wasn't done.

Metro Bank said it had reviewed the credit markers which were applied in June and July 2022. It said these had been correctly applied as at this time, the account was able to accept incoming payments without issue. Metro Bank said no markers had been applied to the credit file in August 2022 as the minimum payment had been received in time on the account. Metro Bank said the credit file marker for September 2022 was correct as the payment made was below the minimum required.

Metro Bank said in the light of its findings it was upholding the complaint in part. It apologised for its error with regards to the incorrect process being followed for payments to the account. It amended the credit file except for the months where Mr D hadn't paid enough, refunded interest of £584.84 and offered compensation of £250. It said in relation to the removal of the markers, no errors had been made as these markers correctly reflected what had happened on the account.

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

Our investigator didn't uphold the complaint. She said that although Mr D had said he had agreed a repayment plan with Metro Bank, she hadn't seen any evidence of an agreement which altered Mr D's contractual payments to £300 per month. The investigator said that because of this, Metro Bank was right to record missed payments for the months when Mr D paid less than his minimum monthly payment. The investigator said that the late payment markers had been correctly applied from June 2022 to April 2023 (with the exception of August 2022 and December 2022). The investigator said that Metro Bank had accepted that it had made some errors when it returned payments but said overall, this hadn't had a big

impact because even if the payments hadn't been returned, Mr D still didn't always meet his minimum monthly payment. The investigator concluded that the resolution offered by Metro Bank was fair.

Mr D didn't agree. He said that he made payments in August 2022 which were returned and never received any statements so didn't know the status of his account. He said that Metro Bank had impacted his ability to obtain credit for over 18 months and he'd made five trips to branch and sent over 100 emails and made over 75 phone calls trying to resolve things.

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 account history. I can see that the account fell into arrears in mid 2022. Metro Bank issued a Notice to Close and began returning payments in August 2022. It has explained that the payments were returned because the account was automatically restricted pursuant to the terms and conditions of the account. Metro Bank said that because Mr D hadn't repaid the balance by the closure date, it unrestricted the account to allow for incoming payments.

I've reviewed all of the available information, but I haven't seen anything to suggest that Mr D entered into a payment arrangement in August 2022, or at any other time. Mr D therefore remained liable to pay the contractual monthly minimum payment. I can see that Mr D made payments each month, sometimes for £300 or more. However, the payments made by Mr D were sometimes less than the contractual monthly minimum payment and therefore, a late payment marker was placed on his credit file.

I've looked at the times when the late payment markers were reported and these accurately reflect the times when Mr D didn't make the contractual minimum payment.

I appreciate that Mr D has spent several months trying to resolve things with Metro Bank. For its part, Metro Bank has acknowledged that it could've done more to help Mr D. It has removed all the late payment markers where it felt that it would've been fairer to send the account to the collections department. Any collections activity would've been recorded on Mr D's credit file.

I've looked at the transactions on the account and reviewed which late payment markers have been removed by Metro Bank. Based on what I've seen, I think Metro Bank has taken reasonable steps to resolve things for Mr D. It has removed several late payment markers and has refunded interest of £584.84. It has also offered compensation of £250 which I think is a fair and reasonable amount.

I understand that Mr D feels very strongly about this, and I recognise that his credit file has been impacted. However, for the reasons I've explained above, I'm satisfied that Metro Bank has done enough to remove the markers which need to be removed. I'm also satisfied that Metro Bank has offered fair compensation. I won't be asking Metro Bank to do anything further because the markers which remain on Mr D's credit file accurately reflect the state of the account at the time.

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 D to accept or

reject my decision before 31 July 2024.

Emma Davy
Ombudsman