

The complaint

Mr C complains that NewDay Ltd (“NewDay”), trading as Marbles, have reported inaccurate information to his credit file.

What happened

I issued my provisional decision on this complaint last month. An extract from that provisional decision is set out below.

I don’t think NewDay have reported inaccurate information to Mr C’s credit file, but I do think the information provided in their final response to him was confusing and that it caused Mr C some inconvenience. I’m issuing a provisional decision here as I think NewDay should compensate Mr C for the inconvenience caused.

Where the information I’ve got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

NewDay have an obligation to report accurate information to the credit reference agencies about Mr C’s account performance and I’ve not seen sufficient evidence to persuade me that what they have reported was inaccurate.

When NewDay wrote to Mr C, in November 2022, about the payment plan they had agreed, the letter explained:

“if you do have amounts that are already overdue, these will show on your credit file with the credit reference agencies and will continue to show throughout your payment holiday.”

That is usual practice. I can see that the account was reported in sustained arrears until March 2023 and after that no adverse reports were made and the account was passed to a debt collection agency who I’ll call “W”. Mr C has provided a screenshot from ClearScore that shows the account as having missed a payment in April 2023, but I think that’s likely to be because it has taken longer to update that particular report and not because NewDay conveyed inaccurate information to the agencies they use.

NewDay passed the debt to W on 23 March 2023. They were entitled to do so, and the Default Notice issued to Mr C in October 2023 explained that may be the case if the agreement was terminated, which it was.

When Mr C complained to NewDay in September 2023 NewDay’s system notes explain he was concerned about late payment markers being reported to his credit file in March, April, May, and June 2023. I’ve already explained that I’ve reviewed what was reported and that I’m persuaded NewDay didn’t make a mistake in that regard. But when NewDay provided

their final response to Mr C I think it was confusing. They said they had added late payment markers in April, May, June, and July 2023 as payments had been received a little late. They've now accepted that information was incorrect and have explained that they've provided feedback to the associate that gave it, as a clearer explanation should have been given.

Had NewDay's response been clearer I don't think Mr C would have needed to escalate his complaint to this Service. He's clearly been concerned that erroneous information has been reported, and he's had to spend time providing evidence to this Service to support his complaint. In the circumstances, I think NewDay should compensate him for the inconvenience they have caused and pay him £200.

I can see that NewDay sent a letter to Mr C in January 2024 that he says was confusing given that the account had been passed to a third party. I can see he's raised that complaint with NewDay. It's not something I can, therefore, comment on here. But if Mr C remains dissatisfied with NewDay's response on that complaint issue, he can, of course, escalate his concerns to this Service.

My provisional decision

I'm expecting to uphold this complaint in part and to tell NewDay Ltd to pay Mr C £200 to compensate him for the distress and inconvenience caused.

Responses to my provisional decision

NewDay accepted my provisional decision and Mr C didn't respond.

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.

As neither party had anything further to add, I've not found any reason to change my provisional decision and that now becomes my final decision on this complaint.

My final decision

For the reasons I've given above, I uphold this complaint in part and tell NewDay Ltd to pay Mr C £200 to compensate him for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 June 2024.

Phillip McMahon
Ombudsman