

## The complaint

Mr L complains that Clydesdale Bank Plc trading as Virgin Money has marked his credit file with a missed payment to his mortgage. Mr L says that's very unfair, and it is stopping him from getting a new mortgage now.

## What happened

Mr L said that towards the end of 2023, his monthly mortgage payment to Clydesdale greatly increased. And after this, for one month in November 2023, the direct debit was returned unpaid. Mr L said he was in the process of selling the property, and he'd already moved out, but he hadn't updated his address with Clydesdale. So the letters Clydesdale sent took a little while to reach him. Mr L said he paid within 28 days of the payment first being requested, so he didn't think Clydesdale should have noted a missed payment on his credit file.

Mr L said he couldn't get a mortgage now because of what he said was this one false entry on his credit file.

Clydesdale didn't think it had done anything wrong. It said that a payment towards Mr L's mortgage with it was missed on 12 November 2023. Clydesdale wrote to Mr L on 16 November 2023 to tell him about this, and it wrote again on 27 November 2023 asking him to bring the account up to date.

Clydesdale said Mr L had rung it on 12 December 2023. He brought the mortgage up to date then, and asked whether this had affected his credit file. The agent said they'd get someone to call him, and Clydesdale said it tried to call twice on 14 December but Mr L didn't answer.

Clydesdale confirmed that the adverse payment marker on Mr L's credit file had nothing to do with the later sale of his property. It said Mr L's payment was due on 12 November 2023 and the payment wasn't made in November, so this had affected his credit file. Clydesdale didn't think that was a mistake. It said it is obliged to report all information accurately, and it takes this obligation seriously. So it wouldn't change the reporting to Mr L's credit file.

Mr L wrote to Clydesdale setting out what he said were mitigating circumstances and explaining why he thought Clydesdale had made a mistake here, but Clydesdale didn't change its mind.

Our investigator didn't think this complaint should be upheld. Our investigator said that Clydesdale had warned Mr L in September that his monthly payments were going up. And as the payment was collected in October, she didn't think this was a problem with the direct debit itself.

She said Mr L had missed the payment due on 12 November 2023. She said it was most likely there just wasn't quite enough money in Mr L's account to cover this monthly payment. Clydesdale had written to him about this promptly on 16 November, then again on 27 November, but these letters didn't reach him for a little while. As Mr L hadn't updated his

address with Clydesdale, it wasn't Clydesdale's fault these letters weren't received until some time later.

Our investigator said that a credit report is intended to be an accurate reflection of how an account has been managed, and it wasn't unfair for Clydesdale to report what had happened here. She said when Mr L asked about the impact on his credit file, Clydesdale said it would ring him back, and it had tried to do so.

Our investigator said she understood why Mr L felt strongly about this, but she didn't think Clydesdale had done anything wrong, and she said it didn't have to take this marker off Mr L's credit file now.

Mr L replied to disagree. He thought that Clydesdale should have responded to his mitigation information, and removed the entry on those grounds alone. But our investigator still didn't think Clydesdale had acted unfairly. She said it has a duty to accurately report how an account is being managed, which is what it had done. And it had written to Mr L as well, to tell him about the missed payment. Mr L said Clydesdale hadn't written to him until 27 November, which was too late to make up the payment, so he thought it was partly to blame.

Because no agreement was reached, this case then came to me for a final decision.

### **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 reached the same overall conclusion on this complaint as our investigator.

There's no dispute that Mr L didn't make his November 2023 payment during November. That monthly payment was missed. For the same reasons as our investigator set out, I don't think it's likely that something went wrong with the direct debit itself. I also think it's more likely that Mr L just didn't have quite enough money in his account at the time.

I do think Clydesdale then acted promptly to notify Mr L of the problem. It wrote to him on 16 November, as well as again later that month. I know that the 16 November letter didn't reach Mr L until some time later, but as Mr L hadn't given Clydesdale his new address, I don't think that was Clydesdale's fault. So I think Clydesdale did all I would expect it to, here.

Clydesdale then reported Mr L's missed payment to credit reference agencies. Clydesdale has told Mr L it has an obligation to do so, and that's right. It's part of the agreement Clydesdale has with credit reference agencies, that it will tell them when payments are missed. Clydesdale is under a legal obligation to provide those agencies with accurate information about how its customers conduct their accounts, including Mr L. And in return, when Clydesdale is making lending decisions, it can rely on the information it receives from those agencies being accurate and full.

Mr L also told us Clydesdale didn't get back in touch with him when he asked it if his credit file had been marked. But I've listened to two recorded calls where Clydesdale tried to contact Mr L, and left messages on his voicemail. So I do think Clydesdale tried to contact him.

Returning to the core of Mr L's complaint, I don't think Clydesdale did anything wrong when it recorded his missed payment. I appreciate that other lenders can now see this missed payment, and Mr L says the decisions they are making, not to lend, are seriously affecting

him now. I'm sorry to hear that. But I don't think that means that Clydesdale has been unfair or unreasonable here.

I know Mr L will be disappointed, but I don't think this complaint should be upheld.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 3 October 2024.

Esther Absalom-Gough  
**Ombudsman**