

The complaint

Miss D complains that Metro Bank PLC unfairly reported a late payment of her credit card account to the credit reference agencies.

What happened

In March 2022 Miss D opened a credit card account while visiting a branch of Metro Bank on a separate matter. Miss D set up a direct debit to pay off the full balance of the card each month and requested this was taken in the middle of the month from the current account she also held with Metro. Miss D started to use the credit card around one week after opening it.

Miss D says that as she didn't actually use her personal Metro bank account, she knew she would need to transfer funds in order to cover the direct debit for the credit card. However, she says she didn't know the date that the payment was due to be taken as she was unable to access the statements via the app because she was waiting for the login information to be provided. She says she had then received a SMS stating that a direct debit had been declined due to lack of funds.

Miss D says she called Metro Bank a couple of days after receiving the SMS and explained she didn't have access to the app and so couldn't see the statements. She says she was reassured she didn't have to make payment until May 2022. She paid off the outstanding balance on the card by the second week in May 2022.

Miss D says she was upset to learn that a late payment marker had been reported for this account by Metro Bank which had an impact on her credit score. She made a complaint to Metro and asked that this marker was removed.

Metro Bank didn't uphold her complaint as it said the late payment hadn't been due to bank error. It said that a payment had been due in April 2022 but had been missed which triggered the SMS alert to Miss D. Metro Bank says Miss D had until the start of May 2022 to make this payment but didn't do so. It confirmed Miss D had called Metro Bank a couple of days after the text message to gain access her to account.

Miss D disagreed with the view taken by Metro Bank and complained to this service. She said during the call to Metro Bank (following the SMS) she had been led to believe she wasn't required to make the payment until mid-May 2022. She said the only reason she had missed the payment was because she didn't have access to the credit card's statements as she couldn't access the app. Miss D says she has been unfairly penalised by having the late payment marker reported on her credit file as this hadn't been her fault.

Our investigator didn't recommend that Miss D's complaint should be upheld. She said she had seen that when Miss D opened the credit card account, she had arranged for a direct debit to be taken from her bank account near the end of the first week of the month. But as there had been insufficient funds in Miss D's Metro Bank account, the direct debit for April had failed and led to Miss D being sent the text message. Our investigator said that despite the failed direct debit there had still been time to make a payment before it would have been missed for that statement period. The statement had set the due date for the payment for

April 2022 as the start of May 2022.

Our investigator said that she was satisfied that Miss D hadn't been misled by Metro Bank as to the due date of payment, it hadn't made an error when treating the payment as late and had correctly reported it as such.

Miss D disagreed with our investigator's view. She said that during the phone call with Metro Bank she had only been made aware that she needed to make a payment in May. She said she didn't know that when she made the payment in the second week of that month that it was, by then, a different statement period. Miss D said at this time she didn't have any access to the statements for her credit card.

As the parties had been unable to reach an agreement Miss D's complaint was passed to me. I issued a provisional decision along the following lines.

I thought it would be helpful to listen to a copy of the call between Miss D and Metro Bank that had taken place after the SMS had been triggered by the failed direct debit. Metro Bank was able to provide that to me, and it played an important part in my provisional decision.

I'd seen that Miss D had opened the credit card account while in a branch of the Metro Bank. I accepted that Miss D hadn't gone there to open this account, but during discussions it had been offered to her and she had agreed to take it. She completed the paperwork while there, which included the setting up of the direct debit. I thought it was reasonable to think Miss D should have been aware of when the direct debit was due to be collected from her bank account.

I appreciated that at the time the attempt was made to collect the direct debit, Miss D hadn't got access to the credit card's statements. But I had also seen that there was still nearly three weeks remaining at that time for that statement period payment to be made.

I'd seen that Miss D had called Metro Bank a couple of days after the SMS had been received. In that call she had informed the agent that she was having difficulty accessing the app and had asked about the 12-digit number she needed to enter to open it. The agent had assisted her to login into the app and explained where she would be able to locate her statements. During the call, Miss D was accessing the app, and she told the agent that she had found the statements and thanked him for his assistance. Miss D hadn't raised anything about the failed direct debit, nor did she ask about making a payment for her credit card account. The agent also hadn't discussed her accounts with her and so there was no mention by them that she had needed to make a payment for the April 2022 statement period during May.

Miss D's account notes show that this was the only call she had made to Metro Bank during April 2022, no other calls had been noted until some months later. Metro Bank had explained that, once in the app, a customer was able to view all of their accounts, both personal and business, so I was satisfied Miss D should have been able to access the credit card statement for March-April 2022 period during April 2022. It was reasonable to think that Miss D should therefore have been able to see the due date for the payment. She had had around three weeks at that point to make a payment for that statement period. I didn't know why Miss D hadn't then done so.

So, although I appreciated this would be of disappointment to Miss D, I couldn't reasonably say Metro Bank had made any error that caused her to make a late payment on her credit card account.

Metro Bank is obliged to report accurate and fair information about how a consumer

manages their credit accounts to the credit reference agencies. Here, I couldn't reasonably say that Metro Bank had acted unfairly in what it had reported about Miss D's late payment. So, I wasn't asking it to remove that information.

For the reasons set out above, I wasn't intending to uphold Miss D's complaint.

Neither Miss D nor Metro Bank have asked me to review my provisional 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.

Although neither party has raised any argument against my provisional conclusions, I have still reviewed the evidence and looked at the decision I reached. Having done so, I still don't think that Metro Bank has acted unfairly toward to Miss D.

Based on the contents of the call between Miss D and Metro Bank in April 2022 following the failed direct debit, I'm satisfied that Miss D was assisted to gain access to the app and her accounts. It's reasonable to consider that, having access to the credit card statements, Miss D would have been aware of the payment date for the April 2022 statement period. Metro Bank didn't contribute to Miss D missing this due date and to her then making a late payment.

As Miss D made a late payment then Metro Bank didn't act unfairly in reporting that to the credit reference agencies. This was an accurate reflection as to how Miss D had managed this credit account.

So, for the reasons set out above, I'm not upholding Miss D's complaint

My final decision

As set out above, I'm not upholding Miss D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 11 September 2024.

Jocelyn Griffith
Ombudsman