



## Case study: Non-Banking Money Services/Credit

### COMPLAINANT RECEIVES BAD CREDIT RATING FROM ONLINE PAYMENT PROVIDER

Themes: Out-of-mandate; online payment system; ineligible financial service provider.

This complaint relates to a Channel Islands-based complainant whose credit rating was affected by a payment that he believed should have been processed automatically.

In January 2022, Mr K set up an online payment account and requested a repayment preference to use his debit card.

In February 2022, Mr K received a letter from his online payment account provider regarding payment arrears. Although Mr K immediately made a payment to cover the arrears, it left a missed payment visible on his credit profile causing a bad credit rating. Mr K contacted his online payment provider and appealed to have the negative credit reference removed but this took nearly six weeks. Mr K complained to his online payment provider as he was trying to purchase a property at the time and his bad credit rating was making this very difficult. Mr K's online payment provider rejected his complaint, and he referred it to CIFO.

CIFO made an initial review of Mr K's complaint and noted that as Mr K's online payment provider was based in the UK. CIFO was unable to investigate the complaint further. CIFO explained to Mr K that CIFO's law sets out that a complaint can be rejected as falling outside of CIFO's mandate if the complaint relates to an ineligible financial service provider, meaning a financial service provider that is not providing services in or from the Channel Islands.