

## **The complaint**

Mrs O complains about information reported by Mercedes-Benz Financial Services UK Limited (“MBFS”) to credit reference agencies. She says that this reporting caused her a loss.

## **What happened**

In July 2020 Mrs O acquired a new car under a hire purchase agreement (“agreement”) with MBFS. Under the terms of the agreement Mrs O undertook to make monthly payments to MBFS of £823.71.

In January 2023 and April 2023 MBFS reported late payments by Mrs O, in respect of her agreement, with credit reference agencies.

In June 2023, and after Mrs O had complained to it, MBFS issued Mrs O with a final response letter (“FRL”). Under cover of this FRL MBFS explained why the two late payments were reported to credit reference agencies and to confirm that the January 2023 late payment marker had been removed in January 2023 and that the April 2023 late payment marker would be removed in 72 working hours. It also offered Mrs O £750 by way of an apology and compensation.

In December 2023, and unhappy with MBFS’ FRL, Mrs O complained to our service. In doing so she said that as a result of MBFS incorrect reporting of late payments under her agreement with credit reference agencies she felt she had no choice but to remain with her existing mortgage lender rather than remortgaging with a new lender, a decision that has caused her a loss.

Mrs O’s complaint was considered by one of our investigators who came to the view that having offered £750 in compensation MBFS need do nothing further.

Mrs O didn’t agree with the investigator’s view so her complaint has been passed to me for review and 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.

Having done so I can confirm that I’ve come to the same outcome as the investigator and for the same reasons. There is also very little I can usefully add to what has already been said.

MBFS accepts that it shouldn't have reported either late payment with credit reference agencies. So the issue for me to decide is what are the consequences of MBFS reporting what it did. Mrs O says they are significant because she felt she had no choice but to remain with her existing mortgage lender, albeit on new fixed rate terms, rather than remortgaging with a new lender.

I appreciate Mrs O might not agree. But based on what both parties have said and submitted it's my view, on the balance of probabilities, that had she made a remortgage application this wouldn't have been declined on the grounds of what MBFS had reported to credit reference agencies in January and April 2023.

First the January 2023 marker was removed in January 2023 so wouldn't have been seen on any search undertaken by a new mortgage lender in March or April 2023. Secondly, even had the April 2023 marker been seen by a new mortgage lender in April 2023 there is nothing to say that this would have, in itself, caused that new lender to decline Mrs O's application.

But even if the April 2023 marker would have been enough for a new mortgage lender to decline a remortgage application from Mrs O, this decision could have been appealed by her. And although I appreciate this might have put Mrs O to some time and effort, including time and effort in engaging with MBFS, I'm not persuaded such an appeal would have been unsuccessful.

I can understand the reason Mrs O has given for not applying for a remortgage with a new lender. But by not doing so her claimed loss is purely a speculative one. So with this, and what I say above, in mind I'm satisfied that MBFS need not compensate Mrs O along the lines she is seeking.

However, I do agree that Mrs O should be compensated something for MBFS's incorrect reporting to credit reference agencies. But having considered what the parties have said and submitted very carefully, I can confirm that I'm satisfied that MBFS's offer of £750 is both fair and reasonable.

### **My final decision**

My final decision is that Mercedes-Benz Financial Services UK Limited must pay Mrs O, if it hasn't done so already, £750 but it need do nothing further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 4 April 2024.

Peter Cook  
**Ombudsman**