

The complaint

Mrs B complains Billing Finance Limited has passed incorrect information to credit reference agencies about her payment history.

What happened

Mrs B acquired a car in December 2022, via a Hire Purchase Agreement with Billing Finance. Mrs B missed two of her contractual payments in May and June 2023 and is unhappy with how Billing Finance has reported this to credit reference agencies (CRAs).

Mrs B says she made her monthly payments in the months after this, so her credit file should only show May and June as missed payments. However, Mrs B says her credit file suggests she's continued to miss payments in the following months.

Billing Finance considered Mrs B's complaint and doesn't agree it's done anything wrong. It says although Mrs B did make her payments after June, she remained in arrears, as the May and June payments weren't made. So, it says the information passed to the CRAs is correct.

Mrs B remained unhappy and referred her complaint to this service. One of our Investigators looked into things and didn't think Billing Finance had done anything wrong. She said the information passed to the CRAs was a fair reflection of the payment history on the account.

Mrs B disagreed with our Investigator's conclusions, saying her credit file suggests she's missed every payment since May, which isn't correct. As the matter couldn't be resolved, Mrs B asked that an Ombudsman review her complaint. It's therefore been passed to me to decide.

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.

In this complaint, I'm only considering the actions of Billing Finance and whether it's passed the correct information to the CRAs. I'm not looking at, or able to comment on how CRAs may interpret or choose to display the information that's passed to them.

Mrs B doesn't dispute she missed the May and June 2023 payments, and that Billing Finance has informed the CRAs of this. However, she says that having made her payments from July to November 2023, it's incorrect that her credit file shows all these months as being a 'missed payment'.

I've looked at the information Billing Finance has passed to the CRAs. Billing Finance has provided a copy of the data it sent to the two CRAs it reports to. Having reviewed this, I can see it's reported the same to both CRAs. That is, that the May and June payments weren't made and from July to November 2023, the contractual payments were made on time, with the outstanding balance of the agreement reducing. However, as the May and June payments remained outstanding, this continued to be reported every month to the CRAs.

So, on this basis, I don't think Billing Finance has done anything wrong. I say this because I'm satisfied the information it's reported to the CRAs is a fair representation of the account; payments were made from July to November; however, the account remained in arrears as the May and June payments were outstanding. How the CRAs then look to interpret or display this information is not something I'm able to comment on in this decision as I'm only able to review the actions of Billing Finance. However, while an account is still in arrears, it's likely that the CRAs will display information showing this.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 9 August 2024.

Christopher Convery
Ombudsman