

## The complaint

Miss S complains that Volkswagen Financial Services (UK) Limited trading as Audi Financial Services (“VWFS”) didn’t change her bank details, which resulted in her missing a payment and VWFS reporting a missed payment to the credit reference agencies (“CRAs”).

## What happened

Miss S acquired a new car under a 48 month hire purchase agreement with VWFS in April 2023. The car cost around £23,539. Miss S made a deposit payment of £3,453.12. Under the agreement, Miss S was required to make 48 payments of £295.96, followed by a final payment of £12,611.25, plus a £10 option to purchase fee, if she wanted to keep the car.

In November 2023, Miss S contacted VWFS and queried whether it could stop her rental payment. VWFS explained it would be recorded as a late or missed payment. Miss S said she would contact VWFS once the payment date had passed to update her payment details. VWFS changed Miss S’s payment date to the 30<sup>th</sup> of each month.

In January 2024, Miss S complained and said she was unhappy arrears were showing on her agreement. She said when she called in November 2023, she changed her payment date and her bank details. Miss S also said she was in financial difficulties and couldn’t make the payment in full. VWFS explained Miss S’s options around setting up an arrangement to pay and Miss S explained her personal and financial circumstances to VWFS. Miss S also provided her bank details and confirmed future rentals would be affordable.

VWFS changed the payment date from the 30<sup>th</sup> to month end due to an error in keying in the correct date. It also issued its response to Miss S’s complaint and said that it had no record of Miss S calling it in December 2023 to change her bank details. It said as a result of this, the information it had reported to the CRAs was correct. It acknowledged the poor service provided by its advisor during a call and offered Miss S £200 as a goodwill gesture.

Miss S told VWFS she accepted the goodwill gesture and VWFS paid this to Miss S in January 2024. Following this, VWFS said it would pay a further £75 to Miss S.

Unhappy, Miss S referred a complaint to this service. She said she had contacted VWFS in November 2023 to change her bank details and she was unhappy with the compensation amount that had been offered. She also said she wanted the negative marker removed from her credit file.

Our investigator said she was persuaded that Miss S missed a payment in December 2023 as Miss S didn’t provide VWFS with her new bank details. She said she couldn’t see any calls being made in July 2023 in which Miss S mentioned her complaint or that a call took place in December 2023. She said VWFS was within its right to apply the missed payment marker and that a total payment of £275 for the distress and inconvenience caused to Miss S was fair and reasonable in the circumstances.

Miss S said she only received £200 out of the £275 that VWFS had offered. She said she could provide phone records to show she called VWFS. She also said she was being charged an additional £25 per month and she said she would pay the payment that VWFS missed, but only if it took the missed payment marker off her credit file.

Our investigator said Miss S would need to raise a complaint with VWFS about the additional £25 she said she was being asked to pay as this wasn't part of her initial complaint. She said Miss S hadn't provided any call recordings to show that she called VWFS or that she provided it with updated bank details.

Miss S said she could provide call logs to show she called VWFS. Our investigator said this wouldn't prove what was discussed and VWFS had already provided its call logs but these showed no calls being made in December 2023. She said bank details were provided to VWFS on 15 January 2024 and these were changed again on 29 February 2024. Miss S disputed this and said VWFS said it had a record of her contacting it in December 2023. However, our investigator explained she had seen evidence from VWFS to Miss S explaining it didn't have any record of any calls being made in December 2023.

As Miss S remains in disagreement, the complaint has been passed to me to decide.

I won't be considering Miss S's complaint about being charged an additional £25 per month by VWFS as part of this decision. This is because Miss S didn't refer this complaint point to VWFS as part of this complaint and so, this service isn't able to consider it.

### **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.

Miss S was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

I've read and considered the whole file and acknowledge that Miss S has raised a number of different complaint points. I've concentrated on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it – but because I don't think I need to comment on it in order to reach what I think is the right outcome. The rules of this service allow me to do this.

What I need to decide in this case is whether VWFS acted unfairly or unreasonably in any way. If I think it did, I'll need to think about what, if anything, is a fair way to put things right.

I've been provided with system notes for Miss S's account which include all recorded correspondence Miss S had with VWFS about this account. I've also been provided with two call recordings from November 2023 between Miss S and VWFS. I've listened to both these call recordings.

Having done so, I've found that during the initial call with VWFS on 10 November 2023, Miss S said she had called to change her Direct Debit date and to provide new bank details. VWFS told Miss S a payment was due on 14 November 2023 and a payment would be taken on that date. Miss S asked if she should cancel the Direct Debit and VWFS said no as it would be recorded as a missed payment. Miss S said she would call VWFS after the payment had been taken on 14 November 2023 to provide updated bank details.

Miss S called back on 17 November 2023 after the payment had been taken from her account on 14 November 2023. She asked VWFS to change her payment date to the 30<sup>th</sup> of each month. So VWFS agreed to do this and said the next payment would be taken on 30 December 2023. Miss S didn't mention changing her bank details during this call.

VWFS's system notes show that in January 2024, Miss S contacted VWFS and said she had changed her payment details in November 2023 or December 2023. It was during this call that updated bank details were provided to VWFS. During both the calls I've listened to from November 2023, Miss S didn't provide updated bank details to VWFS and there is no record of Miss S contacting VWFS in December 2023. Miss S says she did contact VWFS in December 2023, but hasn't provided any supporting information to demonstrate this. I can

see from VWFS's correspondence with Miss S, it has explained to her it has no records of any contact with her in December 2023.

So given that Miss S didn't provide her updated her bank details to VWFS until January 2024, I'm satisfied that VWFS didn't act incorrectly when it reported a missed payment marker to the CRAs for Miss S's account in December 2023. VWFS is obliged to report true and accurate information to the CRAs and in this case, Miss S did miss a payment in December 2023 and so, VWFS has acted fairly.

I've gone on to consider the advice VWFS provided to Miss S in relation to her telling it she was in financial difficulties.

Miss S told VWFS during the call on 10 November 2023 that she would be starting a new job which meant she would get paid at the end of the month. She said because of this, she wasn't able to make the payment she owed. VWFS told Miss S it wouldn't be able to assist her unless she was in arrears under the agreement. Miss S questioned why she would need to be in more debt until VWFS could help her and said she would have to draw money off her credit card.

When a business is made aware that a customer is in financial difficulties, it needs to act with forbearance and due consideration. In this case, VWFS told Miss S that it couldn't help her until the agreement was in arrears. VWFS in its final response accepted that it provided poor service and apologised to Miss S. VWFS said it should have transferred Miss S to its collections department where although it would have reiterated it couldn't help Miss S until the agreement was in arrears, it would have provided next steps and options to her.

VWFS has accepted it made an error and agreed to pay Miss S £200 and an additional £75. Whilst VWFS may not have been able to assist Miss S due to her agreement not being in arrears at the time, I think it should have discussed future options with her in the event her agreement did go in arrears. Having said this, I think a total payment of £275 for any distress and inconvenience caused is fair and reasonable in the circumstances. And so, it follows that I'm not asking VWFS to do anything further.

### **My final decision**

My final decision is that Volkswagen Financial Services (UK) Limited trading as Audi Financial Services should pay Miss S a total of £275, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 1 October 2024.

Sonia Ahmed  
**Ombudsman**