

## **The complaint**

Mr C is unhappy that Stellantis Financial Services UK Limited trading as Vauxhall Finance (Vauxhall) incorrectly recorded missed payments on his credit file.

## **What happened**

Mr C took out a hire agreement with Vauxhall.

The agreement came to an end, but in July 2023, Mr C realised that Vauxhall were incorrectly recording missed payments on his credit file. He contacted them and they said they updated the credit reference agencies on 25 July 2023 to put things right.

In August, Mr C said that the markers had come off but were now appearing again on his credit file. On 16 August 2023, Vauxhall issued a final response letter saying they had contacted the credit reference agencies again to remove the markers. They also offered to pay him £150 for the distress and inconvenience they had caused him.

Mr C didn't think this payment was enough and he also said the adverse information was still being recorded on his file, so he referred the complaint to our service.

He has shown that the missed payments were still being reported up until December.

In December 2023, the hire agreement was marked as settled and the markers no longer showed on Mr C's credit file.

As part of trying to get the markers removed, Mr C contacted one of the main credit reference agencies to try and find out why the late payments were still on his file. They said they removed the markers each time they were asked to but went on to explain that each time they were removed, Vauxhall then reported them again.

Mr C has said his credit limits with multiple businesses have been reduced because of the incorrectly recorded missed payments. He says he regularly takes advantage of interest free periods on his credit cards and the markers on his file have caused him considerable stress and financial insecurity.

After reviewing the case, an investigator said he thought Mr C should be paid £400 in total for the distress and inconvenience Vauxhall's errors have caused.

Mr C didn't agree with the investigator's findings because he didn't believe the compensation payment was enough, so the case has been passed to me to make a final 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.

Vauxhall has accepted that they incorrectly recorded missed payments on Mr C's credit file, so I need to consider what amount of compensation should be awarded to him to put things right.

Vauxhall has sent us evidence that it asked the credit reference agencies to remove the missed payment markers on 25 July and 16 August 2023. It also sent evidence it marked the account as settled in December 2023.

Mr C has provided copies of his credit file at numerous points between July and December 2023. This shows that despite the evidence that Vauxhall has sent, missed payments were recorded on Mr C's file for most of this period, until the account was settled in December 2023.

I've considered the explanation given by one of the main credit reference agencies. They said that the markers were removed as requested but would then reappear. I've also noted that the markers only stopped being reapplied when the account was marked as settled. Because of this, I think it is likely that Vauxhall's system kept recording missed payments on Mr C's file, despite the manual credit file adjustments.

So, I need to consider the impact the missed payment markers had on Mr C from July to December 2023.

This whole situation has been stressful for Mr C. He has had to frequently check his credit file and has had the frustration of being told the markers had been removed, only to find them still being recorded.

Mr C has shown that his credit limits on multiple credit cards have been reduced during this period. One of the credit card providers said the reason his limit was reduced was because of the late payment markers. They later said they incorrectly told him this and that there are several factors they consider when deciding to reduce the limits.

In addition, an email provided from one of the main credit reference agencies lists several factors which could be affecting Mr C's credit file, as well as the missed payment markers.

Mr C has also shown that since the markers have been removed, one of his credit limits has been raised.

I have no doubt that Mr C had problems with his credit limits, but from the evidence I've seen I'm not able to say for certain that it was only the missed payment markers which caused the issues he had. However, I'm persuaded, based on what Mr C was told by one provider, and that since the markers have been removed, one of his limits have been increased, that it is likely the missed payment markers were a factor in his limits being reduced.

Mr C has told us that he has a balance of around £6,000 on his credit cards which he moves around to take advantage of interest free deals. He has told us that one of these deals was ending at the end of 2023. Although the amendments to his credit file were resolved in December 2023, I can understand how the uncertainty of not knowing if he would qualify for a new interest free deal would have affected Mr C and caused him to worry.

I'm persuaded that Vauxhall's mistake of incorrectly recording missed payments on Mr C's credit file caused him trouble and upset. I say this for the reasons I've outlined and because Mr C has had the trouble and worry of frequently checking his credit file to see if the markers had been removed. He also had the inconvenience of contacting his credit card providers and the credit reference agencies to try and figure out what was happening. I'm also mindful

that Mr C first told Vauxhall about the markers in July 2023 and the issue was only fully resolved in December 2023.

And so, for similar reasons to the investigator, I think Stellantis Financial Services UK Limited trading as Vauxhall Finance should pay Mr C £400 in total for the distress and inconvenience caused to him.

### **My final decision**

For the reasons I've explained, I uphold this complaint and require Stellantis Financial Services UK Limited trading as Vauxhall Finance to pay £400 in total for distress and inconvenience caused to Mr C

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

Ami Bains  
**Ombudsman**