

## **The complaint**

Mr R complains that MI Vehicle Finance Limited, trading as Mann Island Finance ('MIF') reported inaccurate information to his credit file.

## **What happened**

Mr R entered into a hire purchase agreement with MIF in January 2019 to fund a car. Following an insurance claim the agreement was settled in February 2024. When Mr R subsequently applied for a mortgage, his applications were rejected. He discovered that MIF had registered a default against him. Mr R eventually secured a mortgage at an interest rate of 5.44% over two years. He complained to MIF that he would have been able to obtain one at a better rate of 4.9% had it not been for their inaccurate reporting.

MIF apologised for the error and offered £150 to compensate Mr R for the distress and inconvenience they had caused.

Mr R thought they should be compensating him for the financial impact. He said he'd been worried he would lose his home and that the impact on his mental health contributed to him accepting a settlement and leaving employment early. He didn't think the compensation was sufficient. He referred his complaint to this service, but our investigator didn't think he'd provided sufficient evidence that the mortgage application had been refused because of the default marker and she thought £150 was sufficient compensation in the circumstances.

Mr R didn't agree with the investigator's opinion. He asked for a final decision by an ombudsman.

## **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.

I know it will disappoint Mr R, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments 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.

Mr R acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

MIF have accepted that they've made an error here. They reported a default to Mr R's credit file in July 2022 and didn't remove it until March 2024.

I've considered what impact that adverse report has likely had on Mr R. I've not seen a copy of his credit file at the time and can't be sure if there was any other adverse information that would have contributed to the success of his preferred mortgage applications. I note that our investigator explained how to obtain a free copy of that report in August 2024. I've seen an email from Mr R's mortgage advisor who explains that the application was declined because of Mr R's loan repayment record. But I don't think that's sufficient to suggest it was because of the default.

I'm not persuaded that I have sufficient evidence to suggest any distress caused was a reason for Mr R deciding to accept a settlement and leave employment early. For me to make such a finding I think I need more evidence than Mr R's testimony alone.

Mr R says that if MIF had provided him with a copy of his statement, as he'd asked, he would have been able to show that to the mortgage provider and convince them to lend. I don't think there's any guarantee that would have been successful as I haven't sufficient evidence it was the default that drove the lender's decision. I can see that MIF offered to provide an email and screenshots of the default amendment when they provided their final response in March 2024. As mortgage applications tend to take a long time it seems that would be likely to have been provided in time for Mr R to demonstrate the error on his credit file, but even if I'm wrong about that, for the reasons I've already given I don't think it would have been likely to change the lender's decision on the evidence I have.

Overall, I think MIF's offer of £150 compensation is fair in the circumstances. If Mr R wishes to accept that offer, he will need to contact MIF and provide bank details for the transfer.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 December 2024.

Phillip McMahon  
**Ombudsman**