



The complaint

Miss F complains that Mercedes-Benz Financial Services UK Limited ("MBFS") continued to pursue her for a debt when a payment plan had been agreed.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my reasons for my 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.

I know it will disappoint MBFS, but I agree with the investigator's opinion. Please let me explain.

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.

There seems to have been some confusion about the role of DLC. Our investigator and Miss F referred to them as a debt collection company but MBFS insist they're not. MBFS say that DLC are an End of Contract Department. But they also refer to DLC in their final response letter as a Debt Management Company. Later in that letter they referred to Miss F's account being passed to a "Collections Company" and in their emails to us I've seen DLC referred to as an End of Contract Department and a Payment Processing Company. I've reviewed DLC's website and that site explains that they do provide outplaced debt recover solutions for clients. So, I assume that was their function here.

All of this served, I'm sure, to distress Miss F and I think MBFS could have been clearer about the role of DLC. They should therefore provide some compensation for the distress and inconvenience this unnecessary lack of clarity caused.

I think it's reasonable to suggest that MBFS or DLC were entitled to chase payments when they weren't made in time. MBFS themselves had a contractual right to transfer any debt to another company without telling Miss F.

So, I've considered whether any of the letters MBFS or DLC sent were unmerited. It's clear Miss F missed some payments and I can see that as a result new payment plans were arranged with her in February, March and September 2019. Those missed payments would have triggered late payment reminders and I can see these are referred to in MBFS's contact notes. I don't think MBFS or their End of Contract Department were wrong to pursue

these debts. They also chased payments in July and August of that year when payments were a little late and, again, I don't think it would be fair to say they were wrong to do so.

I can see that in December 2019 further contact with Miss F was made when a payment wasn't received on time and, again, I don't think that was inappropriate. Contact was made on a working day and payment was late.

I do, however, note that MBFS's contact notes advise a mistake was made in August 2019. The contact notes say they had got the account status wrong and had apologised to Miss F for that mistake. The note says, "*no more calls unless failed payment*" and I think this suggests a call had been made to pursue a payment that wasn't late.

Putting things right

So, I think some compensation is due in respect of the distress and inconvenience caused by this error and in respect of the distress caused by the lack of clarity in MBFS's explanation of the role of DLC. In those circumstances, I would agree with the investigator that MBFS should pay Miss F £100.

My final decision

For the reasons I've given above I uphold this complaint in part and tell Mercedes-Benz Financial Services UK Limited to pay Miss F £100 to compensate her for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 18 November 2020.

Phillip McMahon
Ombudsman