

The complaint,

Mr T complains that Toyota Financial Services (UK) Plc ("TFS") unfairly applied a marker on a car, that it had no interest in, causing him to lose a sale he'd arranged for that car.

What happened

In July 2020 Mr T acquired a car via a hire purchase agreement with TFS. He transferred his private number plate from his original car on to the new car, and the original car went back to its previous registration.

Mr T says that he then arranged a sale of his original car to a private buyer but, when that buyer undertook checks on the car, they were told that TFS had registered a marker on it. Mr T says he lost that sale as the buyer thought there was an outstanding finance agreement for the car.

Mr T contacted TFS and asked about the marker that had been applied to the car he wished to sell. As this call was on a Friday, TFS asked him to make contact on the Monday for the relevant department to handle his enquiry. Mr T called back as requested and, while on the phone to TFS, it was arranged with the credit referencing agency to remove the marker. Mr T says during that call he also logged a complaint about the marker having been added to the car.

Mr T says that TFS didn't pursue his complaint and so he rang it back two weeks later to query why he hadn't heard anything. During this call TFS wasn't able to locate the marker since it had been removed and this led to some confusion about Mr T's complaint.

TFS did then investigate Mr T's complaint and it asked the credit referencing agency if it could provide any explanation as to what had happened. TFS said it never had any interest in Mr T's original car, and that car hadn't been part of the credit agreement arranged in July 2020.

In August 2020 TFS partially upheld Mr T's complaint. It said that it had been informed by the credit referencing agency that it was their process, and not any action by TFS, that had led to the marker showing against the car. The credit referencing agency explained that where a number plate change takes place within 28 days of a credit agreement being issued, then the system adds a marker to the new registration and to the previous registration as a safeguard. Any issue caused by this can be resolved with a phone call. However, TFS accepted that it had not handled Mr T's complaint in a timely manner and offered him £75 as compensation for that.

Mr T was unhappy at TFS's response and complained to this service. Our investigator also partially upheld his complaint. She said that she didn't think TFS had done anything wrong regarding the adding of the marker to the car's registration number, as it hadn't made the request for this to happen. But she did think the offer of £75 compensation had been fair in regard to TFS's handling of Mr T's complaint.

Mr T disagreed with the view of our investigator. He said TFS had closed his complaint when

he had called on the Monday, and he'd had to pursue it again later. He was also concerned that there was no note on his account about the marker that had been added, and this had added to the confusion when he had contacted TFS later about what had happened. Mr T queried the need for the "*safeguarding*" step when moving number plates. He also said he had been told by the credit referencing agency that this process was followed as it had been agreed by TFS. He said it was unfair he hadn't been told this would happen when he'd acquired his new car and added his personal plate to that car.

As Mr T disagreed with the view of our investigator and the complaint has been passed to me.

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've seen copies of the emails between TFS and the credit referencing agency where an explanation as to how this interest came to be marked against Mr T's car is provided by the credit reference agency. Their response doesn't suggest there is an agreement already in place between TFS and the agency as to a process that should be followed where a number plate is transferred and there is a live credit agreement in place. It also doesn't suggest that there was any request by TFS for this marker to have been added to that registration number.

I appreciate Mr T believes that there was such an agreement in place, and he says the credit referencing agency was the one that told him there was. But I haven't seen anything that would confirm that other than a copy of an email Mr T sent to the credit referencing agency following a phone call he had had with them. In this email Mr T makes reference to the agency informing him about this agreement between itself and TFS. But TFS is clear no such arrangement is in place and, without anything directly from the credit referencing agency confirming that an agreement is in place, I am unclear what was said that gave Mr T the impression that this agreement exists.

I've seen that the credit referencing agency had offered to open a complaint on behalf of Mr T as to what happened. I think it's reasonable to say this offer also shows TFS wasn't involved in this marker being added to the car's registration.

So, I think it's more likely than not that there isn't such an agreement in place between TFS and the credit referencing agency, and TFS didn't ask for this marker to be added against the car. However, even if there was such an agreement in place, then I don't think I could reasonably say that TFS had done anything wrong. The safeguard appears to be put in place to ensure vehicles subject to finance aren't sold on and the marker is removed as soon as contact is made either to TFS or the credit reference agency.

It isn't disputed that TFS had no interest in Mr T's car and, as set out above, I haven't seen any evidence that TFS asked for any such interest to be applied to this registration number. Looking at the evidence I can't reasonably say that TFS has done anything wrong here. As soon as it was aware of the marker that had been applied it took steps to get it removed. I therefore can't fairly say TFS was responsible for the loss of the sale of Mr T's car on that occasion.

Mr T says that the credit referencing agency had offered to compensate him, but then subsequently didn't do so. Again, I don't know what was said by the credit referencing agency to Mr T about possible compensation, but I can't reasonably hold TFS responsible for any change of view the agency may have had about paying compensation for the marker

being added to the car.

Mr T has said he should have been advised by TFS about the marker being added at the time he took out the credit agreement, but I don't think it's reasonable to expect a credit provider to run through every possible scenario with a consumer. I would only expect it to ensure the key features of a credit agreement were highlighted. Also, as it's more likely than not that TFS was unaware of any the marker being added, I don't think it was in a position where it could have provided this advice in any event.

I've seen that TFS has accepted that it didn't handle Mr T's complaint as well as he could have reasonably expected it to. Mr T says TFS unfairly closed his complaint when he first raised it with them, and he had to make further contact to find out what had happened. He is concerned that TFS failed to put a note on his account about the marker, leading to confusion when he had to make further contact with it. I appreciate that Mr T has been caused unnecessary distress and inconvenience by TFS's handling of his complaint. And I've seen that it has offered him £75 as compensation for that which Mr T rejected.

As TFS hadn't requested the marker to be added to the car, and then arranged for it to be removed without delay when it became aware, I don't think the gap in it then providing an answer to Mr T as to what had happened resulted in any financial detriment to him. So, I think the £75 offered was fair in these circumstances to reflect the impact of TFS's handling of Mr T's complaint had on him. And I'm going to ask TFS to make that payment to him.

So, for the reasons given above, and although I appreciate this is going to be of disappointment to Mr T, I am not going to ask TFS to do more.

Putting things right

For the reasons set out above I'm partially upholding Mr T's complaint and I'm asking TFS to pay him the £75 compensation if it hasn't already done so for the handling of his complaint that caused him unnecessary distress and inconvenience.

My final decision

For the reasons given I'm partially upholding Mr T's complaint in that I'm asking Toyota Financial Services (UK) Plc to pay him £75 as compensation, if it has not already done so, for way it which it dealt with his complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 August 2021.

Jocelyn Griffith
Ombudsman