

## **The complaint**

Mr C complains that Mitsubishi HC Capital (UK) Plc incorrectly reported missed payments on his credit file.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

Firstly, I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

I am satisfied that Mr C endeavoured to address the temporary financial problems he encountered. Part of that process involved speaking to Hitachi about his circumstances on a number of occasions. He was unable to maintain the payments on the loan and agreed with Hitachi that he would reduce the sums paid to £1 for a short period while he dealt with the challenges he was facing.

Prior to this Mr C had made his monthly payments without fail from the outset of the loan in February 2016 until November 2019. He told Hitachi that once he was able to sell his house he would pay off the loan and this he did in July 2020.

I can see that Hitachi told him both verbally and in writing that the credit file could be affected and he understood that the payment arrangement would be reflected in his credit file. However, he did not expect his credit file to show he had missed payments.

I believe the key element of this dispute comes about from a phone conversation between Mr C and a Hitachi representative in May 2020. By that time he had found a new job and his house sale was going through. He was ready to resume full monthly payments prior to paying off the loan and it was clear he did not wish to risk his credit rating as he was planning to buy a new house.

The conversation was amicable and it may be that Mr C presumed since he was close to settling the loan that the arrangement he made to resume payments and clear the loan would not impact his credit rating. Certainly, the representative did not raise this as an issue. I gather Mr C had been monitoring his credit file and at that point had no issue with his payment arrangement being recorded.

I believe there was a misunderstanding as to the likely impact of the arrangements he made to pay off the loan which resulted in him missing two £1 payments and had he been made fully aware he would have taken a different course.

I also note that on one credit reporting site Mr C is shown as having missed payments from February to April 2020, which does not accurately reflect the position. I am aware that the business has said that it has reported the facts accurately as it is required to do so. I do not think that results in a fair representation of the situation and I am able to assist by requiring it to amend those reports.

Hitachi has said that Mr C missed more than the two months which our investigator has suggested be removed from the credit reports. I presume it means the months in which £1 payments were made. To avoid any doubt I think it best that all reference to missed payment are removed from the reports.

This whole matter has caused Mr C distress and inconvenience and I agree that he should receive compensation of £250.

### **Putting things right**

Mitsubishi should amend its reports to the credit agencies and compensate Mr C.

### **My final decision**

My final decision is that I uphold this complaint and I direct Mitsubishi HC Capital (UK) Plc to remove all references to missed payments in respect of this loan. It can show that a payment arrangement was in place. It should also pay Mr C £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 May 2022.

Ivor Graham  
**Ombudsman**