

The complaint

Mr P complains about account handling and negative information Volkswagen Financial Services (UK) Limited (VWFS) recorded on his credit file. And the impact this has had on him. He would like the credit information corrected and more compensation than VWFS has offered.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here instead I will 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 have reached the following conclusions:-

- VWFS has accepted it made mistakes with Mr P's account as payments were made as expected. His credit file, which I understand has now been amended, shouldn't have been affected and VWFS shouldn't have sent account arrears correspondence. The main issue is that Mr P doesn't feel the £330.56 compensation that VWFS has offered him is sufficient.
- We consider a range of factors when looking at suitable redress such as distress, inconvenience and any resultant loss. I don't doubt the distress caused to Mr P by account arrears letters and the frustration of the time taken and effort involved to resolve the matter.
- I have also noted Mr P had a credit card application turned down due to negative information on his credit file. He has told us the only negative information recorded was by VWFS. He hasn't evidenced this, but I have no reason to disbelieve him. In which case it's likely the credit refusal was down to the VWFS credit information and I have taken that into account when considering if VWFS suggested compensation of £330.56 (which is based on one month's payment on his credit agreement with VWFS) is reasonable.
- I do feel VWFS's offer is reasonable and is in line with what I would have awarded had it not made this offer. I think its original offer of £100 was too low – it took some attempts to finally get Mr P's credit file sorted adding to the inconvenience for him. I have also considered the failed credit card application which would have added to Mr P's inconvenience. But I have no evidence of any actual loss or other factors that I could take into account as result of VWFS's actions that would lead me to believe a higher level of compensation would be appropriate.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement Volkswagen Financial Services (UK) Limited should pay Mr P £330.56 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 31 May 2022.

Bridget Makins
Ombudsman