

## **The complaint**

Mr B complains about information MotoNovo Finance (MotoNovo) reported to his credit file.

## **What happened**

Mr B entered a hire purchase agreement with MotoNovo in December 2018 to acquire a used car.

In April 2020, Mr B was given a payment holiday because he'd been impacted by Coronavirus (Covid-19). The payment holiday was extended and came to an end in October 2020.

Mr B missed a payment at the end of the payment holiday period. He made an additional payment in December 2020 to bring his account up to date.

Mr B complained to MotoNovo in late 2021, saying they'd continued to report late payments on his credit file even after he'd brought his account up to date.

MotoNovo sent Mr B their final response to his complaint in October 2021. They said Mr B's credit file should've shown that his payments were up to date from December 2020 onwards. They agreed to amend his credit file to show late payments in October and November 2020, and up to date payments from December 2020 onwards. They also paid Mr B £50 compensation for the distress and inconvenience.

Mr B complained to MotoNovo in January 2022 to say his credit file was still showing a late payment each month.

MotoNovo sent Mr B their final response to his complaint in January 2022. They said the request to amend his credit file had been approved, but this hadn't been passed to the correct team for action. They said this had now been done and marked as urgent. They paid Mr B £200 compensation for the distress and inconvenience.

Mr B brought his complaint to this service for investigation in February 2022. He said MotoNovo had been unable to confirm that the late payments had been removed from his credit file. Mr B said the incorrect information on his credit file was causing him problems at work, and that he'd been unable to get a 0% interest card because of the effect on his credit file, and so he didn't think the compensation he'd received was sufficient.

Mr B told this service that in February and March 2022 MotoNovo had again recorded late payments on his credit file, even though his payments had all been made on time.

MotoNovo said they'd processed the correction to Mr B's credit file in February 2022 and couldn't determine why additional late payments had been recorded.

Our investigator gave her view that the initial offers from MotoNovo to amend the credit file and pay a total of £250 compensation were fair, but, as they'd continued to record incorrect

information on Mr B's credit file in February and March 2020, they should pay Mr B an additional £200 compensation to reflect the distress and inconvenience caused.

MotoNovo accepted our investigators view.

Mr B didn't agree. He said the compensation should be considerably higher for the time and distress the situation has caused.

As an agreement can't be reached, the case has been passed to me for a 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.

Mr B was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

It's agreed between all parties that MotoNovo incorrectly recorded late payments on Mr B's credit file after he'd brought his account up to date. I've seen evidence that Mr B's credit file has been updated and now shows the correct information. So, I've considered whether MotoNovo have done enough to put things right.

MotoNovo paid £50 compensation when Mr B first brought the matter to their attention, and an additional £200 compensation when they didn't correct his credit file after they said they would. Our investigator recommended an additional £200 compensation for the continued incorrect reporting at the beginning of 2022. So, Mr B has been offered a total of £450 compensation.

Mr B explained his ability to get credit has been affected by the incorrect reporting on his credit file. I've seen evidence that Mr B wasn't eligible for a 0% balance transfer credit card. Lenders consider a number of factors when making a decision to lend, and I haven't seen any evidence that Mr B has been declined credit solely or directly as a result of the information reported by MotoNovo.

Mr B said he'd faced an investigation at work because of the information recorded on his credit file. I've seen evidence that Mr B was subject to a financial review by his employer, which directly mentions the dispute about the information on his credit record. So, I'm satisfied that the incorrect information reported by MotoNovo was directly related to the review that Mr B was asked to undertake with his employer.

I appreciate that this must have been a distressing situation for Mr B. He's had to contact MotoNovo on a number of occasions over a number of months to try and resolve the situation, and it's caused him distress in being subject to a financial review with his employer.

I've carefully considered the overall impact the situation has had on Mr B, along with this service's published information on what we consider and the levels of compensation we award in certain situations. All things considered, I think £450 fairly reflects the distress and inconvenience caused to Mr B.

### **My final decision**

My final decision is that I uphold this complaint and MotoNovo Finance must pay Mr B £200 compensation, in addition to the £250 they have already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 July 2022.

Zoe Merriman  
**Ombudsman**