

The complaint

Mr P complains that BMW Financial Services (GB) Limited (“BMWFS”), trading as Alpheria Financial Services, were wrong to record adverse information to his credit file and were unresponsive when he was trying to sort things out with them.

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 Mr P, but I agree with the investigator’s opinion.

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.

Mr P acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

BMWFS have an obligation to report accurate information to the credit reference agencies about Mr P’s financial performance on his agreement with them. The credit file information suggests that the account was being reported as up to date until late 2020, early 2021, when arrears began to be reported.

Mr P’s original payment plan ended in June 2020, but he didn’t contact BMWFS until October 2020 about that. So, by the time he was in contact with the business some arrears had built up and the monthly instalments he expected to be paying at the end of the arrangement were consequently higher, and unaffordable.

BMWFS’s system notes show that in January 2021 they were in contact with Mr P and thereafter Mr P paid what he could. But I can’t see a new arrangement was put in place until late April 2021 and I don’t therefore think it would be fair to suggest BMWFS were unreasonable to report the arrears on the account to the credit reference agencies. As arrears built up after the payment plan was agreed I also don’t think BMWFS were unreasonable to report those and I can see from their system notes that Mr P was advised of the impact on his credit file.

So, I don't think I have sufficient evidence to suggest BMWFS were wrong to report adverse information to Mr P's credit file.

I can see, however, that Mr P had a tough time getting in touch with BMWFS and they didn't respond to him when they should have done. They failed to respond to an online complaint he had made to them and they also didn't respond to Mr P when he contacted them in December 2020 and in August 2021. Mr P was clearly struggling to get in touch with the business and I think BMWFS's lack of responsiveness would have caused him distress and inconvenience. In the circumstances I think BMWFS should pay him £100 to compensate him for that.

Putting things right

I'm asking BMWFS to put things right in the way I've set out above.

My final decision

For the reasons I've given above I uphold this complaint in part and tell BMW Financial Services (GB) Limited to pay Mr P £100 compensation in respect of the distress and inconvenience their actions have caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 January 2023.

Phillip McMahon
Ombudsman