

The complaint

Mr M complains that FirstRand Bank Limited, trading as MotoNovo Finance, recorded missed payments on his credit file.

What happened

In 2019 Mr M entered into a regulated hire purchase agreement with MotoNovo Finance in relation to a used car. In June 2020 he was given a three month payment deferral due to the covid-19 pandemic. That deferral covered June, July and August, but a missed payment was wrongly recorded on his credit file for August. Mr M also made no payments in September and October 2020, which were also recorded as missed payments on his credit file.

In 2023, Mr M complained to MotoNovo Finance about all three missed payment markers. MotoNovo Finance upheld his complaint about the August marker and removed it. But it did not agree that the other two markers had been wrongly recorded. It said it had a responsibility to ensure that it reported accurate information to the credit reference agencies.

Mr M next brought this complaint to our service, but our investigator didn't uphold it either. She said that the missed payment markers were accurate, and the arrears had not been cleared until the agreement had been settled. She was satisfied that Mr M had been aware of this at the time. She referred to guidelines issued by the Information Commissioner's Office which said that credit files should be accurate. She thought that MotoNovo Finance had fairly resolved the matter of the August marker by removing it.

Mr M did not accept that opinion. He said that MotoNovo Finance had told him it would collect the payments by direct debit when the payment deferral ended, but that it had failed to do so, and so he had had to make manual payments instead. That was not his fault. Alternatively, he argued that the payments should be classed as late, not missed, because he had repaid his arrears by making extra payments of £150 each month.

The case was referred for an ombudsman's 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 do not uphold it. I will explain why.

I have checked Mr M's statement of account, and it shows that Mr M did not make any payments in September or October 2020. He was not on a payment deferral in those months.

I have looked at MotoNovo Finance's contact notes. They show that on 28 September 2020, MotoNovo Finance told Mr M that he had not made a payment in that month. So he was aware at that point that his direct debit was no longer being collected (it was reinstated in February 2021). Nevertheless, he still did not make any payment in September or October

2020.

The contact notes do show that in October 2020, Mr M did say that he would manually make additional payments of £150 a month until the arrears were paid off. But he had another agreement with MotoNovo Finance, and on 16 February 2021 he was told that his additional payments had been made to the wrong agreement. (Meanwhile I can see that he had missed another payment in January.) There were no additional payments made to the correct agreement either before or after that phone call.

These arrears were not repaid until the agreement was settled in June 2023.

So I think that the two remaining missed payment markers are accurate, and that MotoNovo Finance was obliged to report them to the credit reference agencies.

The missed payment marker for August 2020 clearly was an error, but MotoNovo Finance has removed it and I think that is enough.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 May 2024. But apart from that, this final decision brings our service's involvement in this case to an end.

Richard Wood
Ombudsman