

## **The complaint**

Mr O complains about the adverse information that RCI Financial Services Limited, trading as Mobilize Financial Services, has recorded on his credit file.

## **What happened**

A used car was supplied to Mr O under a hire purchase agreement with Mobilize Financial Services that he signed in January 2022. The price of the car was £18,657.05 and Mr O agreed to make 47 monthly payments of £306.28 and a final repayment of £7,866.46 to Mobilize Financial Services. Mr O phoned Mobilize Financial Services in December 2022 because he was out of work due to personal injury and says that he was told that he could miss three monthly payments and that his credit file would only be affected for the three months that were missed. He discovered that missed payments had been recorded for January to October 2023 so he complained to Mobilize Financial Services in November 2023. He hadn't received a response to his complaint so he complained to this service in January 2024.

Mobilize Financial Services then said that the markers showing did relate to the three missed payments but it had confirmed that the arrears would continue to reflect each month until paid which is why the arrears were showing for nine months. It said that Mr O had settled the hire purchase agreement so the account balance had been marked as zero. It also said that it had listened to the relevant recordings of its phone calls with Mr O and he was misinformed that late payments would show on his credit file for six months, when they would last for six years. It apologised for that and said that, as a gesture of goodwill and in recognition of the issues experienced, it had provided Mr O with a payment of £200.

Mr O's complaint was then looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that Mobilize Financial Services had reported Mr O's payments accurately and, although he only missed three month's payments, when he started making payments again there were three months of arrears on the account and it continued to report these arrears until the account was up to date, which was when he paid the agreement in full. She said that Mobilize Financial Services had accepted that it incorrectly advised Mr O regarding how long those markers stay on his credit file but had offered £200 compensation for the distress and inconvenience caused which she believed was more than reasonable.

Mr O doesn't agree with the investigator's recommendation and has asked for his complaint to be considered by an ombudsman. He says that he doesn't think that £200 compensation is fair for six years of credit damage and, if he'd been advised correctly, he wouldn't have taken the payment holiday because he wouldn't want six years of credit damage and the payment holiday was taken on the understanding that it would be clear within six months. The investigator said that Mr O's complaint was regarding the missed payment markers appearing for nine months rather than three and he hadn't complained that he was misinformed about how long the markers would stay on his credit file.

## **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.

Mobilize Financial Services says that Mr O contacted it in November 2023 to query the information being reported on his credit file as it was reporting nine late payments when he'd only missed three repayments. He hadn't received a final response from Mobilize Financial Services so he phoned this service in January 2024 to complain about Mobilize Financial Services. The notes of that call say that Mr O was complaining that Mobilize Financial Services had said that his credit file would only be affected for the three months that were missed and that he'd like it to remove the missed payment markers from April to October 2023. There was no reference in that note to Mr O having complained that Mobilize Financial Services had told him that the late payments would only show on his credit profile for six months.

Mobilize Financial Services sent Mr O its final response letter later in January 2024. It said that the markers showing did relate to three missed payments but it had confirmed that the arrears would continue to reflect each month until paid which is why the arrears were showing for nine months. It also said that it had listened to the relevant recordings of its phone calls with Mr O and he was mis-informed that late payments would show on his credit profile for six months, when they would last for six years. It apologised for that and said that as a gesture of goodwill and in recognition of the issues experienced, it had provided Mr O with a payment of £200.

Mobilize Financial Services is required to report true and accurate information about Mr O's payment history to the credit reference agencies. Mr O had agreed to pay £306.28 each month to Mobilize Financial Services but he didn't make the payments that were due in December 2022 and January and February 2023 so his account went into arrears. Mr O made payments to Mobilize Financial Services from March to October 2023 (when the agreement was settled in full) but the arrears weren't cleared until October 2023. As Mr O hadn't made the payments that were due in December 2022 and January and February 2023 and his account was in arrears from January to October 2023, I consider that it was a true and accurate record of his payment history for Mobilize Financial Services to record adverse information on his credit file from January to October 2023.

I'm not persuaded that there's enough evidence to show that Mobilize Financial Services told Mr O that his credit file would only be affected for the three months that were missed. I appreciate that this will be disappointing for Mr O, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Mobilize Financial Services to remove any of the adverse information that it's recorded on his credit file about his payments under the hire purchase agreement or to take any other action in response to his complaint.

In responding to Mr O's complaint about the missed payment markers, Mobilize Financial Services said that it had listened to the relevant recordings of its phone calls with Mr O and he was mis-informed that late payments would show on his credit file for six months, when they would last for six years. Mr O says that if he'd been advised correctly, he wouldn't have taken the payment holiday because he wouldn't want the missed payments on his credit file for six years. Mobilize Financial Services apologised for any confusion or upset caused and paid £200 compensation to Mr O. But Mobilize Financial Services identified that it had mis-informed Mr O after he'd complained to it and after he'd complained to this service. I don't consider that his complaint included a complaint about the misinformation or the compensation that he'd been paid so I'm unable to consider a complaint about those issues in this decision.

If Mr O wants to complain that he was misinformed that the missed payments would only show on his credit file for six months or about the compensation that he's been paid, he should first complain to Mobilize Financial Services about it and then, if he's not happy with its response, he may be able to make a complaint to this service.

### **My final decision**

My decision is that I don't uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 24 December 2024.

Jarrod Hastings  
**Ombudsman**