

The complaint

Ms K complains that Oodle Financial Services Limited trading as Oodle Car Finance (“Oodle”) incorrectly reported arrears to credit reference agencies.

What happened

Ms K entered into a hire purchase agreement with Oodle in March 2018 to acquire a used car. Ms K had issues with the car and wished to reject it.

Our service issued a decision in June 2020 where Ms K’s complaint was upheld and, among other things, instructed Oodle to remove all the information registered on her credit file about the agreement. This was to be done once Ms K paid an outstanding amount that she owed Oodle.

This decision will not comment further on the outcome reached in relation to the satisfactory quality of the car.

Internal contact notes Oodle have provided show that they contacted the relevant credit reference agencies in August 2020 to have the agreement removed from Ms K’s credit file.

Ms K got in touch with Oodle in January 2023 as she noticed adverse information in relation to the account was being reported to her credit file. Ms K said she was attempting to obtain a mortgage and had lost out on three properties she was interested in obtaining a mortgage for.

In April 2023, Oodle responded to Ms K and said that they had contacted the relevant credit reference agencies and requested them to have this information removed. Ms K believed that the information should have been removed in 2020 but Oodle didn’t uphold her complaint and in summary, said they couldn’t evidence that they had made in error. They said that their records confirmed that they were not reporting the account to credit reference agencies and that she may wish to raise a dispute with the agencies directly to ensure records being reported are correct.

Unhappy with Oodle’s response, Ms K referred her complaint to our service. Our investigator found that Oodle didn’t need to do anything differently. He found that Oodle instructed the credit reference agencies to remove the adverse information on three separate occasions and that as he hadn’t had sight of Ms K’s credit file and evidence of any mortgage denials attributed to the issue, Ms K’s complaint wasn’t upheld.

Ms K disagreed with the investigator’s outcome and believed Oodle were responsible for not ensuring the credit reference agencies were reporting the correct information.

As Ms K disagreed with the investigator’s outcome, the complaint was passed to me to decide.

The investigator on behalf of myself asked Ms K some further questions and in her response, she provided a letter she received from Oodle in March 2024. In summary, the

email said that Oodle had made an error in how they reported to credit reference agencies and that an internal review of Ms K's account identified an issue which caused them to make a missed payment related report to the credit reference agencies during the period between December 2022 to August 2023.

Ms K confirmed the adverse information has since been removed from her credit file.

I issued a provisional decision on 22 May 2024 where I explained why I intended to uphold Ms K's complaint. In that decision I said:

"It's important that credit files are an accurate record of a person's financial history and up to date. It's one of the things lenders take into account when making decisions about when to lend money to someone, or whether to continue to lend to them. Credit reference agencies only store the information, and lenders and other account providers, like Oodle, tell credit reference agencies what to record.

In this instance, Ms K says in January 2023 she noticed Oodle had incorrectly reported adverse information to her credit file, which they shouldn't have. Oodle sent her their final response in April 2023 where they told her they were unable to evidence that they made an error.

In March 2024, during the time Ms K referred her complaint to our service, Oodle sent Ms K a further response where they accepted they had made an error which caused them to make a missed payment related report to the credit reference agencies during the period between December 2022 to August 2023. Oodle later confirmed to our service they reported incorrectly for three months – in December 2022, January 2023 and February 2023.

These dates corroborate when Ms K said she noticed incorrect reporting to her credit file and is also in contrast to Oodle's previous findings they reached in April 2023.

From what I've seen, I'm satisfied Oodle did make an error here, in both reporting incorrect information to Ms K's credit file and also in their initial investigation into Ms K's complaint.

Considering everything here, I've now gone on to consider what I think Oodle should do to put things right.

Ms K has confirmed the adverse reporting has been removed since September 2023, around the time she was able to obtain a mortgage. But I'm also mindful that Ms K says she had attempted to obtain a mortgage previously and had lost out on three properties she was interested in. I can't be sure whether the sole reason Ms K wasn't able to obtain a mortgage on the other properties was due to the error reported to her credit file, as there are various reasons a lender might choose to decide not to lend to someone. However, I'm satisfied the error reported to Ms K's credit file by Oodle at least played a contributing factor. But, in any event, I'm satisfied Oodle made an error here, and from what Ms K has told our service, it has also caused some distress and inconvenience to her to attempt to get this issue resolved, at already quite a stressful time when she was trying to obtain a mortgage."

I set out that I intended to uphold this complaint. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to the provisional decision

Ms K responded and said, among other things, that she felt the amount I intended to instruct Oodle to make was too low. She explained that her mental health suffered due to missing

out on properties and that she had to take time off work due to the impact this complaint had on her mental health.

Oodle didn't respond before the deadline I set in my provisional 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'm not persuaded to change my opinion from the provisional decision I made.

I appreciate Ms K's comments here of the stress and anxiety she says she suffered due to this complaint. And I've considered what she has said carefully. I accept that Oodle's error has caused Ms K considerable distress, upset and worry, which lasted for some time. But I am satisfied the distress and inconvenience amount I will direct Oodle to make is fair and reasonable and my reasons for doing so had been explained in my provisional decision.

In summary, I think Oodle needs to do more in this instance to put things right. I'm satisfied the outcome reached is fair and reasonable given the circumstances.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Oodle Financial Services Limited trading as Oodle Car Finance to pay Ms K £350 to reflect the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 4 July 2024.

Ronesh Amin
Ombudsman