

## **The complaint**

Mr B is unhappy with how RCI Financial Services Limited (RCI) have administered his hire purchase agreement after it was refinanced in March 2022. He feels they have caused him to miss payments and have negatively affected his credit score.

## **What happened**

Mr B complained to RCI because he was unhappy about the way they have managed his account since he took out a hire purchase agreement on 18 March 2022.

On 29 March his first payment was due, but RCI said that because of an error setting up the direct debit, it wasn't taken.

Subsequent payments in April and May 2022 also weren't made. Mr B said this is because his payments were returned unpaid by RCI.

In June, Mr B and RCI came up with a plan to clear his arrears. His payment date was moved to the first of the month. RCI have said because the payment date was moved forward, a month's payment of £250 was waived.

By following the payment plan, in September 2022, Mr B was up to date with his payments and arrears. RCI have said they have amended his credit file, showing that his payments were made on time during this period. Mr B then continued to make his payments on time and in full.

Mr B contacted RCI multiple times after December 2022 asking for his payment date to be moved to the end of the month. RCI told him this wasn't possible.

Further payments were missed on Mr B's account starting from the payment due on 1 February 2023. Mr B made manual payments, when he could, from February 2023 onwards but they were not always on the contractual payment date.

Mr B has said RCI haven't amended his credit file for the missed payments before September 2022. He also isn't happy with what RCI are recording on his file after February 2023 either. He says that they've attempted to collect multiple payments in one month which has caused him financial difficulty because he wasn't able to afford it. And he thinks that the administration issues on his account are the reason he is currently in arrears.

Unhappy with RCI's response to his complaint, Mr B contacted us.

An investigator issued their findings on the case. He said that because RCI didn't provide the call recordings for when the arrears were discussed with Mr B, he couldn't be satisfied that RCI had acted reasonably. So, he asked RCI to remove any adverse information recorded by the credit reference agencies and refund any interest or charges for late payments.

RCI said they would try and supply the calls but didn't agree with the investigator's findings.

The case was referred for a decision and passed to me for review.

RCI have now sent the call recordings requested, so I reviewed the entire case again alongside these.

I sent Mr B and RCI my provisional decision on this case on 22 August 2024. I explained why I don't intend to uphold this complaint. A copy of my provisional findings is included below:

#### Account administration from March 2022 to September 2022

*Mr B's refinanced agreement with RCI began on 18 March 2022.*

*The first direct debit on the agreement failed on 29 March 2022. RCI have said the payments in April and May were also missed.*

*RCI have said the payment in March was missed because of an administration error. Mr B has said the missed payments in April and May were also RCI's fault. The loan account statements show that the direct debit payment was attempted in April and May but returned unpaid. Mr B says the payments came out of his bank account but were then refunded by RCI.*

*In June 2022, Mr B spoke to an advisor from RCI and agreed a payment plan to bring his account up to date. As part of this agreement, the payment date was moved to the first of each month going forward. By September, Mr B had brought his account up to date.*

*As Mr B's payment date was moved forward from the end of the month to the beginning of the next, RCI agreed to waive one month's payment. This was so Mr B didn't have to make two payments close together. They've also said they have amended Mr B's credit file so all adverse data is removed.*

*I've asked Mr B to send us a full copy of his most recent credit file so I can check what RCI are recording for this period. He hasn't sent this to us. A note on RCI's system on 23 June 2023 shows they checked what the credit reference agencies were recording between March and September 2022 and everything was showing as up to date. So, without a copy of Mr B's full credit file, I'm unable to conclude that RCI have reported missed payments during this period.*

*I can appreciate that Mr B was caused inconvenience because his direct debit wasn't taken initially in March. It also isn't clear if RCI were responsible for the further missed payments in April and May. I've considered that RCI waived a month's payment when they moved the payment date. This amounts to RCI paying Mr B £250 for any distress and inconvenience they caused him. I think this is a fair amount to put things right for the frustrations of the first three payments being missed, and the hassle it caused Mr B trying to sort it out.*

#### Account administration December 2022 to August 2023

*From September, payments on Mr B's account were made on time for the full amount. His payment history from December was then as follows:*

|                        |                       |
|------------------------|-----------------------|
| <i>1 December 2022</i> | <i>Payment made</i>   |
| <i>1 January 2023</i>  | <i>Payment made</i>   |
| <i>1 February 2023</i> | <i>Missed payment</i> |
| <i>1 March 2023</i>    | <i>Missed payment</i> |

|               |   |
|---------------|---|
| 31 March 2023 | Standing order payment of £250  |
| 1 April 2023  | Missed payment  |
| 25 April 2023 | Standing order payment of £250  |
| 1 May 2023    | Missed payment  |
| 1 June 2023   | Direct debit payment of £108.62<br>Two standing order payments totalling £150 |
| 1 July 2023   | Missed payment  |
| 1 August 2023 | Missed payment  |

*On 28 December 2022 Mr B called RCI and spoke to one of their advisors. He asked to move his payment due 1 January to the end of the month. The advisor told Mr B the payment couldn't be moved because it was due in the next couple of days. He said he'd note on the account that Mr B wasn't able to make the payment date but would pay at the end of January instead.*

*On 7 March 2023 Mr B called RCI and said that them not allowing him to move his payment date in January had caused him problems. He asked again if his payment day could be moved to the end of the month. The advisor tried to change his April payment date but said the system didn't allow it. The call concludes with Mr B saying he will make manual payments when he can afford it instead.*

*On 6 April 2023, Mr B was sent a letter saying his payment date was moved to the first of the month. I can understand why this caused Mr B some confusion, but this had been his payment date for some time at this point.*

*When Mr B missed his payment on 1 May, RCI attempted to collect it multiple times and Mr B said this caused him financial difficulty. I've considered that no payments would've come out of his bank account this month because the collections were unsuccessful. So, while I can appreciate the number of failed payments would've been stressful for Mr B, I cannot agree that it impacted him financially.*

*I appreciate that Mr B asked for his payment date to be moved to the end of the month several times since December 2022 and his requests weren't fulfilled. I asked Mr B to send me statements so I could see if moving the payment date would've made a difference but unfortunately, I haven't received these. I've also considered that although Mr B was not able to change his official payment date, he would have been able to make manual late payments each month instead. But there were multiple months when no payments were made at all.*

*So, while I think RCI could have been clearer with the reasons they were unable to change the payment date, I don't think that not changing it has been the cause of Mr B's arrears.*

*It follows that because I don't think not changing the payment date caused the arrears, I won't be asking RCI to amend Mr B's credit file or refund any interest or charges for late payments from February 2023. This is because I think RCI have recorded the missed payments correctly and are a true reflection of the payment history.*

*Mr B didn't respond to the provisional decision. RCI responded to the provisional decision but had nothing further to add.*

### **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.*

*As RCI said they had nothing further to add, and I didn't receive any further comments from*

Mr B, I see no reason to depart from the conclusions I reached in my provisional decision.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 October 2024.

Ami Bains  
**Ombudsman**