

The complaint

Mrs Q complains that Stellantis Financial Services UK Limited collected two payments from her after her hire purchase agreement had ended and about the service that she's received from it. Her husband is also involved in her complaint.

What happened

I issued a provisional decision on this complaint last month in which I described what had happened as follows:

"A car had been supplied to Mrs Q under a hire purchase agreement with a company that is now called Stellantis Financial Services. I understand that Mrs Q returned that car and the agreement ended when another car was supplied to her under a new hire purchase agreement with Stellantis Financial Services.

Stellantis Financial Services collected two payments of £184.84 from Mrs Q after the first agreement had ended. Mrs Q contacted Stellantis Financial Services about those payments and it agreed to refund them to her but she wanted the refund more quickly so she made an indemnity claim to her bank. That led to her receiving the refund twice and to a notice of sums in arrears being issued to her.

Mrs Q complained to Stellantis Financial Services but it said that it was unable to uphold her complaint as there was no fault on its part. It said that there was no advice from it to suggest that Mrs Q should request the amount to be indemnified from her bank but the amount owed had been paid back and the agreement had closed. It said that, although it wasn't at fault, as a gesture of goodwill it had instructed the credit reference agencies to remove any late payment marks from the months of September to December 2023.

Mrs Q wasn't satisfied with its response so she complained to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, didn't think that it should be upheld. She said that Stellantis Financial Services hadn't provided the information to this service that had been requested so her recommendation was based on the information supplied by Mrs Q. She accepted that Stellantis Financial Services made an error in taking payments from Mrs Q's account when the agreement ended and she was told that the refund had been processed but Mrs Q contacted her bank to raise an indemnity which caused a duplicate refund. She said that Stellantis Financial Services didn't make an error when it sent her a notice to say the account was in arrears.

Mrs Q's husband, on behalf of Mrs Q, didn't agree with the investigator's recommendation and asked for this complaint to be considered by an ombudsman. He has provided detailed responses to the investigator's recommendation and recordings of some of Mrs Q's phone calls with Stellantis Financial Services".

Provisional decision

I set out my provisional findings in that provisional decision and said:

"It seems clear to me that it was Stellantis Financial Services' error that led to the two payments of £184.84 being collected from Mrs Q. It agreed to refund them to her but I've listened to a recording of one of her phone calls to Stellantis Financial Services in which she said that she wanted the refund more quickly and was clearly told that for that to happen she would need to make an indemnity claim to her bank. She did that but then received £369.68 from her bank and £369.68 from Stellantis Financial Services. Stellantis Financial Services then sent a notice of sums in arrears for £369.68 to Mrs Q.

Mrs Q repaid the £369.68 to Stellantis Financial Services but she complained to it about what had happened. Its final response letter to her said: "There was no advice from Stellantis Finance to suggest that you should request the amount to be indemnified with your bank, and you did not indicate this to us at any point when the discussions for the refund were held". As Mrs Q had clearly been told by Stellantis Financial Services that if she wanted the refund more quickly she would need to make an indemnity claim to her bank, I can see why its final response letter and its failure to apologise has upset her.

It's clear that Mrs Q has been caused distress and inconvenience by Stellantis Financial Services' error and the incorrect information that it included in its final response to her. All payments have now been made and the agreement has been ended, but I consider that it would be fair and reasonable in these circumstances for Stellantis Financial Services to pay £100 to Mrs Q to compensate her for the distress and inconvenience that she's been caused.

Stellantis Financial Services said that, as a gesture of goodwill, it had instructed the credit reference agencies to remove any late payment marks from the months of September to December 2023. If it hasn't already done so, I find that it would also be fair and reasonable for it to remove any adverse information that it's recorded on Mrs Q's credit file relating to the hire purchase agreement for the period from September 2023".

Subject to any further comments or evidence that I received from Mrs Q, her husband and Stellantis Financial Services, my provisional decision was that I intended to uphold Mrs Q's complaint. I said that I intended to order Stellantis Financial Services to pay £100 to Mrs Q to compensate her for the distress and inconvenience that she's been caused and to ensure that any adverse information that it's recorded on Mrs Q's credit file relating to the hire purchase agreement for the period from September 2023 has been removed.

Mrs Q's husband says that although Mrs Q is pleased that I've come to a different conclusion to the investigator, he would like me to reconsider the compensation offered and has set out reasons that he considers that Mrs Q should receive more compensation. Stellantis Financial Services hasn't responded to 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.

Mrs Q's husband has described the frustration, upset and anxiety that Mrs Q has been caused. I've carefully considered the comments that he's made in response to my provisional decision, but I'm not persuaded that I should my provisional decision.

Putting things right

I find that it would be fair and reasonable for Stellantis Financial Services to pay £100 to Mrs Q to compensate her for the distress and inconvenience that she's been caused and to ensure that any adverse information that it's recorded on Mrs Q's credit file relating to the hire purchase agreement for the period from September 2023 has been removed. I'm not persuaded that it would be fair or reasonable in these circumstances for me to require it to pay her more than £100 compensation or to take any other action in response to her complaint.

My final decision

My decision is that I uphold Mrs Q's complaint and I order Stellantis Financial Services UK Limited to:

1. Pay £100 to Mrs Q to compensate her for the distress and inconvenience that she's been caused.
2. Ensure that any adverse information that it's recorded on Mrs Q's credit file relating to the hire purchase agreement for the period from September 2023 has been removed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Q to accept or reject my decision before 15 January 2025.

Jarrold Hastings
Ombudsman