

The complaint

Mr S complains about a default Lex Autolease Ltd have applied to his credit file. He would like this removed.

What happened

The parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

Mr S entered into a hire agreement for a car with Lex Autolease. He had an accident in the car in May 2024, and the car was written off by the insurers.

Lex Autolease received payment from the insurers, but this left Mr S with a shortfall to pay on the agreement. He initially queried this with Lex Autolease in September 2024 but was told the shortfall needed to be settled.

Mr S has said he only received confirmation of the default being applied by Lex Autolease when he got their letter in mid-October 2024. He complained to Lex Autolease at this time, as he said he hadn't been aware he needed to make the payment to avoid a default being applied. He paid the amount in full shortly afterwards.

Lex Autolease didn't uphold Mr S's complaint. They said they'd sent him letters on a couple of occasions throughout September 2024 explaining that the shortfall needed to be settled, and what the implications of not paying it could mean for Mr S and his credit file. Lex Autolease also explained to Mr S that he was aware the shortfall needed paying having complained about it previously and receiving confirmation from Lex Autolease that the shortfall had been applied correctly. They told Mr S they wouldn't be removing his default from his credit file.

Mr S brought his complaint to our service. Our investigator didn't uphold it. She said she was satisfied Mr S was aware of the shortfall amount and that it needed to be paid, and that Lex Autolease had written to him prior to applying the default, explaining what was outstanding and what Mr S was required to do to prevent the default being applied. She said Lex Autolease had treated Mr S reasonably and she wouldn't be asking them to remove the default from the credit file.

Mr S didn't accept this. He said he'd always made all his payments, and continued to say he hadn't received any of Lex Autolease's correspondence other than the final letter they sent confirming the default had been applied.

As Mr S hasn't agreed, the complaint has been passed to me to decide.

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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

As the hire agreement entered by Mr S is a regulated consumer credit agreement this service is able to consider complaints relating to it.

Having considered everything provided in this case, I have to say I agree with our investigator. I'm satisfied Lex Autolease have applied the default correctly to Mr S's credit file. I'll explain why.

Mr S had previously complained to Lex Autolease about the invoice he received for the shortfall on the agreement. He received an answer from Lex Autolease in early September 2024 which confirmed the shortfall had been calculated correctly, and Mr S was liable to pay it. I'm not considering this aspect within my decision, but I'm including the details here to provide some context to my decision. I'm satisfied it helps to clarify that Mr S was aware of the shortfall that needed to be paid at this point.

Lex Autolease have also provided copies of the letters they sent to Mr S on 16 September 2024, 26 September 2024, and finally 11 October 2024. The first two letters explain that the shortfall remains outstanding, and what Mr S needs to do to settle it. The letter dated 26 September 2024 also explains that Lex Autolease will be applying a default to the credit reference agencies if the full amount isn't settled within 14 days. The final letter dated 11 October 2024 explained that a default had been applied to Mr S's credit file.

I appreciate Mr S has said that he only received the last of these letters, and it was this letter that prompted him to settle the outstanding amount in full. He's said he'd like to see confirmation that the previous letters had been sent to him.

I have seen copies of all the letters sent by Lex Autolease to Mr S. All of the letters are correctly addressed to Mr S, and I'm not aware of any specific postal problems that would have affected deliveries to Mr S. I have no reason to suspect the letters weren't sent by Lex Autolease. It's possible Mr S didn't receive the letters, other than the final one confirming the default had been applied, but I'm satisfied Lex Autolease have sent them all to the address they have on record for Mr S, and I can't hold them responsible for any letters potentially not reaching their destination. There isn't a requirement on Lex Autolease to ensure the letters are received by way of a tracking process – they only need to make sure the letters are sent. And I'm satisfied the evidence in this case shows the letters were sent to Mr S. So, it follows that I'm satisfied Lex Autolease have treated Mr S fairly. Lex Autolease have a responsibility to report accurate information to the credit reference agencies – and I think they've done that in Mr S's case.

I know this decision will come as a disappointment to Mr S, and he's concerned about the impact the default could have on his finances and ability to get credit. But I can only ask Lex Autolease to remove the default if I'm persuaded it has been applied incorrectly. And I've explained above why I'm satisfied it hasn't been applied incorrectly by Lex Autolease – I'm satisfied they gave Mr S the opportunity to avoid the default by paying the shortfall sooner than he did.

I won't be asking Lex Autolease to do anything here.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or

reject my decision before 7 August 2025.

Kevin Parmenter
Ombudsman