



## **The complaint**

Mr S complains that Volkswagen Financial Services (UK) Limited trading as Audi Financial Services ("Audi Finance") have recorded inaccurate information on his credit file.

## **What happened**

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

In July 2023, Mr S entered into a hire purchase agreement with Audi Finance to acquire a used car. The agreement was for 48 months, with monthly repayments of £693.61.

In March 2024, Audi Finance were unable to collect the monthly payment as expected. The direct debit didn't go through after a couple of attempts. Audi Finance wrote to Mr S to let him know, and to let him know his account was in arrears. Mr S has said he never received those letters.

In July 2024, Mr S was searching for credit for a different purpose and realised information about the missed payment had been added to his credit file. He called Audi Finance, settled the outstanding amount, but also complained as he said his credit file showed he'd missed four payments, when he hadn't. Audi Finance didn't uphold his complaint. They said his credit file showed that he had missed one payment, and it had been outstanding for four months – as opposed to showing he had missed four payments. Audi Finance confirmed to Mr S that they're required to report accurate information to the credit reference agencies, and they were satisfied they had done that in his case.

Mr S brought his complaint to our service. Our investigator didn't uphold it. He explained that Audi Finance had reported the information accurately and Mr S's credit file was correct. It showed one missed payment, which had been outstanding for four months. Our investigator said the credit file didn't show four missed payments.

Mr S didn't accept this. He maintained it showed four missed payments and wasn't accurate.

As Mr S didn't agree, 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 purchase 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 Audi Finance have recorded the information on Mr S's credit file accurately. I'll explain why.

The credit reference agency in question in this complaint have a helpful online guide to help their customers understand what is reported to their credit file, and how it will appear. In Mr S's case his credit file shows his Account Status as 'AA' for the months of March, April, May, and June 2024. 'AA' means that the account is in arrears, and Mr S doesn't seem to dispute it was for those four months. So, there's no reason to conclude the Account Status is showing incorrectly.

The credit file also shows the Payment Status as '1' for the same four months. The online guide explains that '1' means the payment on the account in question is one month late. As Audi Finance were able to collect the scheduled payments from Mr S's bank in April, May, and June 2024 as scheduled, his account with them remained one month in arrears, until he paid the outstanding amount in July 2024. So, it follows that his credit file showing his Payment Status as '1' for the months of March (when the payment wasn't made), April, May, and June 2024 was correct. Mr S had been one month behind with his payments for four months, and this is accurately reported by Audi Finance. For clarity, if Audi Finance were reporting it as four missed payments, the credit file would show '4' against June 2024.

Once Mr S had settled the outstanding amount, his credit file returned to showing the Account Status as 'OK' from July 2024 onwards, and the Payment Status as '0' – meaning all payments were up to date.

Mr S has said that he never received any correspondence from Audi Finance about the missed payment, and only came across it by accident when applying for an alternative form of credit. I have seen copies of all the letters sent by Audi Finance to Mr S. One was sent in March 2024, two were sent in April 2024, another was sent in May 2024, and a final one was sent in July 2024. All of the letters are correctly addressed to Mr S, and I'm not aware of any postal problems that would have affected deliveries to Mr S. I have no reason to suspect that the letters weren't sent by Audi Finance. It's possible Mr S didn't receive the letters, but I'm satisfied Audi Finance 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 Audi Finance 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 Audi Finance have treated Mr S fairly. Audi Finance have a duty to report accurate and not misleading information to the credit reference agencies, and I'm satisfied they've done that here. Mr S's credit file is showing the correct information for when the payment remained outstanding.

I know this decision will come as a disappointment to Mr S. But I can only ask Audi Finance to amend his credit file if I'm persuaded it has been updated incorrectly. And I've explained above why I'm satisfied Mr S's credit file has been updated accurately by Audi Finance.

I won't be asking Audi Finance 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 13 August 2025.

Kevin Parmenter  
**Ombudsman**