

The complaint

Mrs D is unhappy that BMW Financial Services (GB) Limited reported adverse information on her credit file.

What happened

Mrs D took out a hire purchase agreement with BMW in 2018. In 2019 she was a victim of fraud after selling her car and so BMW agreed to write off her outstanding balance.

In November 2023, during the process of remortgaging, Mrs D noticed that BMW were reporting adverse information to credit reference agencies.

Mrs D got in touch with BMW to complain. After investigations, BMW issued their final response letter in February 2024 and said there had been an error. They contacted the credit reference agencies to amend the records they held and offered £150 in compensation. Mrs D's credit file was reflecting correctly from April 2024.

Mrs D was unhappy with the amount of compensation as she didn't think it reflected the length of time the incorrect information was on her credit file. She also didn't think it did enough to put right the amount of distress and inconvenience she had experienced.

So, one of our investigators looked into what happened and thought the £150 offered by BMW was enough to put things right. He said this because he felt it was fair for Mrs D to be compensated for the time she knew about the incorrect reporting from November 2023. He felt that Mrs D would've only been impacted during this time.

Mrs D was unhappy with the investigator's findings, so the case has been passed to me to review.

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 D has explained she realised that something was wrong with her credit file when she went to remortgage in November 2023.

It isn't clear how long the adverse information had been showing from before November. I think it would've become apparent sooner if Mrs D had trouble obtaining credit before the remortgage. She hasn't been able to supply anything which shows she was having difficulties getting credit, and I would've expected her to get in touch with BMW sooner, if she had. And so, I think Mrs D was only impacted by the adverse information on her credit file from November 2023 to April 2024.

Remortgaging can be a stressful process, and I understand how the issue with her credit file would've exasperated this. Mrs D hasn't indicated that she was unable to complete the

remortgage process once her credit file was amended and I can't see she suffered financially because of the error.

And so, I think the £150 offered by BMW fairly reflects the distress Mrs D would've experienced while she was waiting for the issues to be rectified.

I say this because I think it acknowledges the worry Mrs D would've had about the financial impact this would have. Especially because I can see she had to wait until February 2024 for BMW to confirm the credit reference agencies had been updated. And I think this wait would have made her worry worse.

I know Mrs D had to wait until April 2024 for the credit reference agencies to reflect properly, but it can take some time for these to update once a lender asks for information to be changed.

My final decision

BMW has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So, my final decision is that BMW Financial Services (GB) Limited should pay £150 to Mrs D.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 24 April 2025.

Ami Bains
Ombudsman