

The complaint

Mr A complained that hard credit searches were carried out after he contacted Arnold Clark Automobiles Limited ("ACAL") to enquire about arranging finance on a car.

What happened

The circumstances of the complaint are well known to both parties. So, I won't repeat everything here. But, in summary, Mr A says he visited a branch of ACAL to make enquiries but had no immediate intention to purchase a car.

Mr A said that the salesman was extremely persistent about making a sale, he was pressured, and he was rushed. He found a car that was appealing, and he agreed to sit down and discuss what monthly payments might look like but didn't consent to searches being conducted.

Mr A said that he later contacted ACAL to confirm he didn't want the car as it was too expensive. But he found that two hard searches had been conducted without his consent. Mr A complained and ACAL agreed that it shouldn't have processed the application, it apologised and told him that it asked the lender to remove the search.

Mr A referred the complaint to our service, and he clarified his complaint was against ACAL and not the lenders. He said that the search conducted by ACAL in relation to one lender still remains on his credit file and it affected other credit that he applied for. He said that he was declined a cheaper finance deal, and his credit score was lowered because of the hard search. He said that he'd also experienced a financial loss because he was unable to refinance to reduce his outgoings, and the matter had left him in financial and emotional distress.

An investigator here considered the complaint and mediated an offer of £100 compensation for the stress and inconvenience caused. He said that he was satisfied that ACAL had asked the lender to remove the search, but wasn't satisfied that it had the impact Mr A described. As Mr A disagreed, the complaint has been passed to me to make a 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time.

Having considered all the circumstances, I've reached the same overall conclusions as the investigator for broadly the same reasons. I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to

comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

It's not the role of the Financial Ombudsman to decide if a business has breached data protection laws – that falls to the Courts or the Information Commissioner's Office to decide. And we can't regulate, fine or punish the businesses we consider complaints about. But I can consider whether a business has treated a customer fairly.

ACAL was acting as a credit broker here. Credit broking is a specified kind of activity which I can consider. ACAL isn't the lender here, and it hasn't conducted the search itself. It processed Mr A's personal information whilst carrying on the activity of credit broking, and it accepts that it made a mistake.

Mr A says that he didn't give authority for his information to be shared, or for a search to be carried out. Based on what I've seen, I'm satisfied that Mr A was made reasonably aware that ACAL was processing his personal information when it sent him its terms.

Mr A has also mentioned that he feels he was placed under pressure to conclude the sale when he went to look at the car. I appreciate the point that he is making, but I haven't seen any evidence, other than his testimony, which demonstrates to me that Mr A was placed under undue pressure to go ahead with the sale when he was in the dealership. It's clear that he asked for more time to consider things, which is what happened. I accept it's possible that ACAL were pushing for the sale of the car to go ahead, which may have made Mr A feel under pressure – but I can't conclude that undue pressure was applied, and that Mr A didn't have any other option other than to continue with the sale.

Both Mr A and ACAL appear to agree that there was a verbal agreement not to proceed further without further authorisation from Mr A, and ACAL shouldn't have processed his personal information in the way it did. ACAL explained that the application was marked as pending and only progressed due to a misunderstanding in the branch. I've no reason to doubt this sequence of events. So, what's left to decide is whether ACAL's offer does enough to put things right.

In this case, individual lender(s) conducted a search against Mr A's credit file, and the applications were declined. I appreciate Mr A is concerned as to how these searches have affected applications for credit, but I haven't seen anything to show me he has been adversely affected; or that he's been declined for credit, or offered credit on less favourable terms, as a direct result of what happened. It might help Mr A to know that a credit score is a tool produced for consumers to check their general credit worthiness but it isn't used by lenders when making decisions. Each lender will have its own specific criteria about how it will lend, and I haven't seen enough to persuade me that the sole reason he's been declined credit was a result of ACAL's mistake. And not for some other reason such as not meeting the lender's criteria or other checks it might be required to complete.

I can see that ACAL has asked the lender to remove the search, and the lender replied to say it had been removed. ACAL has to rely on its confirmation as it can't remove the search itself. Mr A hasn't been able to supply a full dated copy of his credit report showing that the search is still on there. Even if he could, I'm not persuaded that the search will have impacted his credit file in that it has caused him to suffer a financial loss to the extent he's described, because of what I've already said about other reasons for credit being declined.

I do accept that this must have been worrying for him, and he's been inconvenienced by what happened. I'm sorry to hear about what happened. But I think the apology and offer of £100 is a fair offer considering all the circumstances.

If Mr A still has concerns about information that other parties have reported to his credit file, then he'll need to get in touch with those parties directly. I can't direct ACAL to remove any searches as it wasn't the party that conducted them.

Taking everything into account, although I know Mr A will be disappointed by my decision, I think that the offer from ACAL is a fair and reasonable way to resolve this complaint, and I'm not asking it to do more.

My final decision

Arnold Clark Automobiles Limited has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Arnold Clark Automobiles Limited should pay £100 to the extent that it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 September 2025.

Caroline Kirby
Ombudsman