

The complaint

Mrs M is unhappy that Startline Motor Finance Limited (“Startline”) searched her credit report incorrectly.

What happened

Mrs M contacted Startline in November 2024 to raise concerns about a credit search it carried out in May 2024. She explained that she hadn’t applied for any finance with Startline and was concerned this might affect her when renewing her mortgage.

Startline didn’t uphold the complaint. It explained that it had received an application via a third-party broker, who I will refer to as H. As the name and email on the application matched the information Mrs M later provided to Startline, it did not think this was an impersonation attempt. Startline said Mrs M may have applied via H without realising her information would be sent to Startline.

It explained the difference between a soft and hard credit search and confirmed that, as no finance agreement had been taken out by Mrs M, there would be no impact on her credit file. Startline also said there was no facility to remove soft searches, as they do not impact an individual’s credit record.

Mrs M remained unhappy and brought her complaint to this service. Our investigator didn’t uphold the complaint. He explained that, although Mrs M said she hadn’t applied for finance with Startline, he was satisfied that because the application was made through H, it was likely H had approached multiple lenders. He did not consider that the soft search would cause any detriment to Mrs M and concluded that Startline hadn’t acted unreasonably, so it didn’t need to take any further action.

Mrs M disagreed, arguing that the broker had provided incorrect data to Startline which she had never consented to. As Mrs M remained unhappy, the case has been referred to me for a final 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.

Startline explained that it received an application via a broker, H, which contained Mrs M’s correct personal details. Because the name and email address on the application matched the information Mrs M later provided when she contacted Startline to complain, it considered the application to be genuine. No finance agreement was ultimately taken out.

Based on the evidence I have, I cannot say that Startline acted incorrectly in these circumstances. I agree with Startline that there is no indication this was a fraudulent attempt, given that Mrs M’s details on the application matched what she later provided to Startline.

It may be that Mrs M was unaware her details would be shared when using H, and this is

why she believes it submitted incorrect information to Startline without her consent. However, I have reviewed H's website for its terms of business. Under the section on credit checks, it states:

"On applying for a finance or lease product via any of our communication channels, your information will be used initially to conduct a soft credit search. This will not register as a full check on your file and will eliminate any unnecessary checks on your credit profile and allows us to get you an approval in principle with the lender that is best suited to your circumstances."

Based on this, I am satisfied that the soft search carried out was in accordance with H's terms of business. Therefore, I cannot say that Startline acted incorrectly, as there is no evidence that the credit search was carried out in error or without a valid reason.

I understand that Mrs M was also concerned about the soft credit search appearing on her credit file and the potential impact this might have. However, a soft credit search is different from a hard credit search:

- Soft credit searches are an initial look at certain information on a credit report. Lenders use them to assess the likelihood of an application being accepted without carrying out a full review of the person's credit history. Soft searches are only visible to the individual and have no impact on a person's credit score, regardless of how many are carried out.
- Hard credit searches, in contrast, involve a full review of a credit report. They are visible to other lenders and can affect a person's credit score.

In Mrs M's case, as only a soft credit search was carried out, it is my understanding that this does not have any impact on her credit score or what other lenders see. In any case, I've not been provided with sufficient evidence that it caused Mrs M any detriment.

Taking all of this into account, I do not find that Startline acted unfairly or unreasonably in this situation, and I will not be asking it to take any further action.

My final decision

I don't uphold this complaint against Startline Motor Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 29 August 2025.

Farhana Akhtar
Ombudsman