

The complaint

Mr M complains that Volkswagen Financial Services (UK) Limited trading as Audi Financial Services (“AFS”) reported two late payment markers on his credit file, without contacting him in the agreed way. He wants his credit file amended, and the late payment markers to be removed.

What happened

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

In June 2021, Mr M entered into a hire purchase agreement with AFS to acquire a car. In October and November 2024, Mr M’s monthly payments didn’t get paid due to insufficient funds in the specified account, and AFS added two late payment markers to his credit file.

Mr M contacted AFS in January 2025 to make the payments and to complain. He said he hadn’t received any notification from them about the missed payments and had been in contact with different entities within the group, none of whom had informed him he had missed two payments and had markers applied to his credit file. He wanted AFS to remove the late payment markers.

AFS responded to say that they had sent letters to the address they held on file for Mr M to explain the payments had been missed and the account was in arrears. They hadn’t been able to email him the information as his email address hadn’t been verified at the time the payments were missed. AFS explained that Mr M might have received correspondence by email from other entities within the group, but those entities wouldn’t have known about the missed payments and wouldn’t have been in a position to let him know about them. They didn’t uphold Mr M’s complaint.

Mr M brought his complaint to our service. Our investigator didn’t uphold it. He said AFS had a responsibility to report accurate and factual information to the credit reference agencies, and they had done so fairly in Mr M’s case. He said AFS had tried to contact Mr M to let him know, but he hadn’t provided them with an up-to-date address, so AFS had reasonably sent letters to the address Mr M had provided when he entered the agreement.

Mr M didn’t agree. He said AFS should have emailed him about the missed payments. He maintained that he wanted the late payment markers removed from his credit file.

As Mr M didn’t accept, 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. This includes Consumer Duty.

Mr M doesn't dispute that he did miss the payments that were due in October and November 2024. The statement of his account provided to this service by AFS also confirms those payments were applied for and returned by Mr M's bank. So, all I need to decide in this decision is whether I'm satisfied AFS applied the late payment markers to Mr M's credit file fairly, or if they should be removed. In this case, I agree with our investigator's opinion, and am satisfied the late payment markers have been added fairly by AFS. I'll explain why.

The hire purchase agreement Mr M signed sets out the consequences of not making payments of the correct amount on the due date. It also sets out that missing payments could make obtaining credit more difficult. By signing the agreement Mr M accepted those terms so I don't think AFS acted unfairly in expecting payments in line with the agreement and it had the grounds to report a true reflection of the payment history including the missed payments to the credit reference agencies.

Mr M has said that AFS should have notified him by email when the payments were missed, as he travels a lot with work and had specified email contact was his preferred method when entering the agreement. However, AFS's contact notes don't support Mr M's argument here. They confirm that AFS had sent letters to Mr M's address in the previous years, with his annual statement of account – and his email address was only verified with AFS in January 2025 when he contacted them to ask about the late payment markers he had become aware of. As all contact prior to January 2025 had been by post, I'm more satisfied than not that Mr M hadn't opted for email as a preferred method of contact with AFS when entering the agreement with them.

It's possible Mr M did opt for email communication with the dealership when discussing the agreement with them prior to entering it or arranging any MOT or service appointments with the manufacturer, and he has provided emails from those to suggest as such. However, they are separate entities to AFS. I am only deciding on how AFS have acted as the finance provider in this case and haven't seen anything to persuade me that email was chosen as a preferred method of contact with them.

AFS had a responsibility to get in contact with Mr M to let him know that the payments hadn't been authorised on his agreement. They did this by sending letters in November and December 2024. These are the sort of documents I'd expect to see when payments were missed. So, I think AFS did give Mr M fair notice that there was a problem and what he needed to do. And they attempted to contact him at the address Mr M had provided at the time of entering the agreement. Mr M has said that he has moved several times since the agreement had been started and hadn't informed AFS of any new addresses as he had asked for email communication. However, as I'm satisfied that AFS hadn't verified Mr M's email address until after the payments had been missed, attempting to contact him by post was the most appropriate and reasonable thing for them to do once they had received notification from Mr M's bank that the payments couldn't be authorised. It follows that I'm satisfied that, due to no response to their letters, AFS applied the late payment markers to Mr M's credit file fairly.

I know this decision will come as a disappointment to Mr M. But AFS have a responsibility to report accurate and factual information to the credit reference agencies, and Mr M had a responsibility to maintain his payments in line with the agreement. There is no dispute in this case that the two payments were missed – and having considered everything I'm satisfied AFS acted reasonably by reporting them when they didn't receive any acknowledgement to

their letters from Mr M. I won't be asking them to remove the late payment markers from his credit file.

I'd remind Mr M that he's able to reject this decision if he believe he can achieve a better outcome by alternative means, such as through the courts.

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 M to accept or reject my decision before 31 October 2025.

Kevin Parmenter
Ombudsman