

The complaint

Mr M's complaint relates to problems he had with a car supplied to him by CA Auto Finance under a personal contract hire agreement.

What happened

The facts of this case are familiar to both sides and – in many respects - are not in dispute. With that being the case, I don't intend to repeat them in detail here. Instead, I'll provide a summary.

Mr M entered into a hire agreement with a CA Auto Finance in January 2024. From an early stage, Mr M says he experienced problems with the vehicle. This culminated in Mr M raising a complaint with CA Auto Finance about the quality of the goods in September 2024.

In November 2024, CA Auto Finance issued its final response in which it did not uphold the complaint. Although it offered £300 for the inconvenience this may have caused Mr M.

Unhappy with this, Mr M referred his complaint to our service.

One of our investigators reviewed everything and felt that CA Auto Finance needed to do something to put things right. Our investigator proposed the following resolution:

1. Refund 70% of all rentals Mr M has paid for the time the vehicle had been in for repair; and
2. facilitate rejection of the car on the basis that it's not durable or fit for purpose – this includes refunding rental payment when Mr M reasonably stopped using the car; and
3. pay £400 compensation for the distress and inconvenience caused and to reflect the customer service Mr M received; and
4. 8% simple interest on refunded payments.

In December 2024, both parties accepted our investigators proposal, and the case was considered resolved.

However, in the months that followed it appears there were problems completing the settlement.

From what I can see, CA Auto Finance scheduled for collection of the vehicle on 27 February 2025, around which time it also paid the financial redress (points 1, 3 and 4), albeit it in two instalments. Again, at this stage, matters seemed to be resolved.

Unfortunately, despite assurances that his account would be removed from its system, Mr M continued to receive monthly invoices pertaining to the account. Mr M also noted that his credit file was still reporting negative information pertaining to the agreement.

In the months that followed there was regular dialogue between our investigator, Mr M and CA Auto Finance about this matter. And, in May 2025, CA Auto Finance notified our investigator that it had updated Mr M's credit file. It also says it made necessary amendments to its system to prevent monthly invoices being sent to Mr M.

Unfortunately, in June and July 2025, Mr M received monthly invoices pertaining to the account. Further, in July 2025, Mr M also provided evidence that the agreement had not been updated on his credit file.

As the situation appeared to be unresolved – and in order to bring matters to a conclusion - our investigator reopened the complaint and arranged for it to be passed to an Ombudsman to decide.

On 28 July 2025, I issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As set out above, the underlying cause of Mr M's complaint is no longer in dispute. Both parties accept that Mr M is entitled to reject the vehicle and he should receive 70% of rentals paid whilst the vehicle has been in for repair and a full refund of rentals since he reasonably stopped using the car. It is my understanding this redress (as well as £400 compensation for the distress and inconvenience caused) has been paid. With that being the case, I do not need to consider this again. I endorse the proposed resolution put by the investigator insofar as it deals with events up to the point of the proposed settlement.

However, it is clear that since our investigators proposed resolution, Mr M has continued to experience issues relating to this agreement. Therefore, in this decision, I will confine myself to considering what has happened since both parties accepted our investigators proposed resolution. Specifically, I'll focus on issues relating to Mr M's credit file and the receipt of monthly invoices - and the impact of these issues on Mr M.

Credit file

In May 2025, CA Auto Finance advised our service that it had arranged for Mr M's credit file to be updated. It has provided ticket references for Experian, Equifax and Transunion as evidence it had made the relevant requests.

Mr M has provided screenshots of his credit file – updated to 13 July 2025 – which shows the account is still active.

I am mindful that adjustments to Mr M's credit file were not set out specifically in the investigators proposed (and accepted) settlement. And I am also mindful that it can take up to two months for a credit file amendment to reflect on an individual's credit file. So, it strikes me as plausible that the amendments CA Auto Finance says it requested in late May 2025 have been actioned but haven't yet fed through to Mr M's credit report. If that is the case, I would expect Mr M's credit report to be updated very soon.

However, if CA Auto Finance has not taken the relevant steps to update Mr M's credit file already, then I direct it to do so as part of this provisional decision.

But, putting this to one side, I can see CA Auto Finance told our service that it had spoken to Mr M in early March 2025 at which time it says it agreed to request his credit profile is updated to show the agreement is cleared. Therefore, it is from this point that CA Auto Finance ought to have submitted the credit file amendment requests. And, if it had done, Mr

M's credit file would have been updated by May 2025 at the latest.

I am unclear why the amendment requests were seemingly not put through until May 2025 - some two months after CA Auto Finance agreed it would do so. That seems a wholly unacceptable delay in the circumstances.

In mid-May 2025, Mr M told our investigator that because of CA Auto Finance's actions, his credit score has dropped due to having this debt on my file which means [he is] going to have to remortgage a rental property and the home [he] lives in at rates higher than [he] would get without this on [his] file.

And in July 2025 he told our investigator he is currently paying mortgage rates on two properties higher than [he] should be because of this...and [he also thought] the compensation [he] accepted was on the basis of this situation coming to a close but here we are months later the stress this has caused me.

It is not immediately clear from the screenshots Mr M has provided that adverse information relating to this agreement has been recorded on his credit file. Instead, Mr M appears to point to the mere presence of the debt on his credit file as the cause of him having to remortgage on less favourable terms.

But even if I'm wrong about that, lending decisions and mortgage interest rates can be affected by numerous factors. These include credit file data. But that's not the only information lenders use to make decisions. And different lenders may take different approaches when presented with the same information.

With this being the case – and given the number of variables in play in the course of a remortgage application - I'm not minded to say that Mr M has provided sufficiently persuasive evidence to support a direct chain of causation between CA Auto Finance's failure to amend his credit file sooner and the increased remortgage rates he says he is now paying.

Notwithstanding this, it is clear Mr M has suffered worry, frustration and stress over a prolonged period of time as a result of CA Auto Finance's failings here. And I think he has been caused unnecessary inconvenience by having to chase CA Auto Finance – either directly or via our service – for updates regarding this matter. What's more, throughout this process, Mr M has been provided with assurances on multiple occasions that the matter has been resolved only to discover it has not been.

With all of that being the case, I am minded to conclude further compensation – on top of the award our investigator proposed – is appropriate in the circumstances.

I think CA Auto Finance should pay an additional £150 for the delay in actioning the credit file amendment request.

Receipt of invoices

In the months following our investigators proposed settlement in December 2024, Mr M has continued to receive monthly invoices pertaining to this agreement up to and including July 2025.

And from what I can see, Mr M has received multiple assurances (including but limited to assurances in March 2025 and June 2025) from CA Auto Finance that it would take steps to ensure he did not continue to receive these going forwards.

I am unsure why something seemingly as straightforward as stopping invoices being sent out to Mr M is proving so problematic. But, regardless of the reason, it is not Mr M's fault. So, as part of my provisional decision, I find that CA Auto Finance must take immediate action to prevent further invoices being sent out to Mr M – this includes, if necessary, manual intervention every month until a permanent solution is found.

Mr M told our investigator that these invoices refer to growing debt and arrears. The monthly invoices Mr M has sent our service do not appear to refer to arrears. But, notwithstanding this, I accept that continuing to receive monthly invoices for an agreement which Mr M considers settled would be worrying and frustrating for him. And, not unreasonably in my view, Mr M says he “doesn't feel comfortable leaving it like this as [he] feels [CA Auto Finance] may actually want this money one day”.

I think Mr M has been caused unnecessary worry and frustration as a result of CA Auto Finance's failure to close the account down so as to prevent the dispatching of further invoices. And I think he has suffered additional inconvenience in trying to resolve this matter - both via our service and with CA Auto Finance directly - over a prolonged period of time.

I think CA Auto Finance should pay an additional £150 for the impact of its failure to take the necessary steps to prevent Mr M receiving monthly invoices.

With all of that being the case, my provisional decision is that Mr M's complaint should be upheld and CA Auto Finance should put things right in the way I've set out below:

Putting things right

Subject to any further comments or evidence I receive from both parties, I intend to issue a final decision requiring CA Auto Finance to take the following steps to resolve the complaint:

- Take immediate action, if it has not already done so, to update Mr M's credit file to show the account has been settled in December 2024 – this being when CA Auto Finance accepted Mr M's right to reject the vehicle. I would ask it to provide written confirmation to Mr M that this has been done.*
- Take immediate action to prevent further monthly invoices – or similar correspondence pertaining to this agreement - being sent to Mr M. I would ask it to provide written confirmation to Mr M that this has been done.*
- Pay a total of £300 (on top of the compensation it paid following our investigators proposed resolution) for the inconvenience and worry Mr M has suffered as a result of CA Auto Finance's failure to update his credit file in a timely manner and to prevent monthly invoices being sent to him.*

Responses to my provisional decision

I invited both parties to provide any further evidence or information before I finalised my decision.

In response, Mr M explained why he did not feel the proposed compensation award went far enough. I have carefully considered what Mr M has said however, in keeping with the informal nature of our service, I won't set out everything in detail here. Instead, I'll summarise what Mr M said. Mr M pointed to the ongoing stress and uncertainty this matter has caused, the impact of CA Auto Finance's delay in correcting his credit file has had on his mortgage interest rates (result in direct and ongoing financial burden for the next two years), as well as the considerable amount of time and effort he has spent repeatedly chasing

updates and resolutions.

I would like to thank Mr M for taking the time to provide these submissions.

CA Auto Finance acknowledged receipt of the provisional decision and provided no further comment.

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.

I've also thought carefully about what has been said in response to my provisional decision.

Having done so, I'm not minded to depart from the conclusions I reached in my provisional decision. I recognise this may come as a disappointment to Mr M. However, I'll explain why I think it is fair in the circumstances.

It is not in dispute that Mr M has experienced unnecessary worry, frustration and inconvenience by CA Auto Finance's actions following our investigator's opinion. In particular, I think CA Auto Finance's failure to update Mr M's credit file – or prevent invoices being sent to him – would have been concerning. And, alongside the worry and stress this caused, I can see these repeated errors have caused Mr M to put in a reasonable amount of effort and time to sort out – including chasing CA Auto Finance for updates and a resolution.

Our website outlines the awards made by this service for distress and inconvenience and explains that the awards made are intended to recognise the upset caused by an error.

In my view, and keeping the guidance on our service's website in mind, I think an award of £300 in compensation adequately reflects the worry and inconvenience Mr M has been caused here.

I now turn to what I consider to be the crux of Mr M's position. This being the negative impact CA Auto Finance's failure to amend his credit file in a timely manner had on his ability *to remortgage both [his] primary and rental property, resulting in higher mortgage interest rates than [he] would otherwise have secured.*

As I set out in my provisional decision, lending decisions and mortgage interest rates can be affected by numerous factors. These include credit file data. But that's not the only information lenders use to make decisions. And different lenders may take different approaches when presented with the same information.

In other words, given the number of variables in play in the course of a remortgage application, I am not persuaded that I can fairly hold CA Auto Finance responsible for the increased interest rates Mr M says he is now having to pay on his primary and rental properties. If I was persuaded there was a direct chain of causation, I would agree that additional compensation award would be due as Mr M has suggested.

But, as this is not the case, my proposed compensation award is confined to reflecting the stress, inconvenience and worry caused to Mr M by CA Auto Finance's errors aside from the increased interest rates he has experienced when remortgaging.

Having reviewed everything again carefully, I am not minded to depart from the conclusion I reached in my provisional decision. This being that Mr M's complaint should be upheld and CA Auto Finance should put things right in the way I've set out below:

Putting things right

In addition to the resolution put forward by our investigator which both parties accepted (this has been set out at the beginning of this decision), CA Auto Finance should also take the following steps to resolve the complaint:

- Take immediate action, if it has not already done so, to update Mr M's credit file to show the account has been settled in December 2024 – this being when CA Auto Finance accepted Mr M's right to reject the vehicle. I would ask it to provide written confirmation to Mr M that this has been done.
- Take immediate action to prevent further monthly invoices – or similar correspondence pertaining to this agreement - being sent to Mr M. I would ask it to provide written confirmation to Mr M that this has been done.
- Pay a total of £300 (on top of the compensation it paid following our investigators proposed resolution) for the inconvenience and worry Mr M has suffered as a result of CA Auto Finance's failure to update his credit file in a timely manner and to prevent monthly invoices being sent to him.

My final decision

My final decision is that I uphold Mr M's complaint and I direct CA Auto Finance to settle it in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 September 2025.

Ross Phillips
Ombudsman