

The complaint

Miss R complains about the information that Advantage Finance Limited has reported to the credit reference agencies about a hire purchase agreement under which a car was supplied to her.

What happened

A used car was supplied to Miss R under a hire purchase agreement with Advantage Finance that she electronically signed in February 2021. The price of the car was £6,120, Miss R made an advance payment of £1,400 and she agreed to make 53 monthly payments of £165.21 and a final payment of £365.21 to Advantage Finance.

She didn't make those payments when they became due so Advantage Finance repossessed the car in February 2023 and it terminated the agreement in April 2023. It obtained a county court judgment against Miss R in July 2023 and an attachment of earnings order was made. That order was suspended when Advantage Finance agreed to accept monthly payments of £60 from Miss R.

Miss R complained to Advantage Finance about issues relating to the hire purchase agreement in April 2025 but it said that, because of the county court judgment, her complaint was out of jurisdiction and any issues should be raised with the court. Miss R wasn't satisfied with its response so complained to this service. She said that she'd raised a complaint regarding the incorrect reporting on her credit file of non-payment for over a year when she'd been paying Advantage Finance directly since March 2024 and she also referred to issues relating to the car breaking down.

Her complaint was looked at by one of this service's investigators who, having looked at everything, said that it wouldn't be appropriate to consider the aspects of Miss R's complaint that related to events prior to the county court judgment. She said that Miss R's complaint was also about the incorrect reporting on her credit file following that judgment and she was satisfied that this service is able to investigate that aspect of her complaint. The investigator initially recommended that Miss R's complaint should be upheld but Advantage Finance provided further evidence about the reporting of the default and she then said that she was satisfied that Advantage Finance hadn't incorrectly reported on Miss R's credit file so it wasn't required to amend it.

Miss R didn't accept the investigator's recommendation and has asked for her complaint to be considered by an ombudsman. She says the evidence that she's provided clearly shows that she's paying an agreement each month and Advantage Finance isn't reflecting that. She says that her credit report should say "AR" to show that she's paying an arrangement, not "D" which means she's not paying anything.

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.

Advantage Finance obtained a county court judgment against Miss R in July 2023 and I agree with the investigator that it wouldn't be appropriate for this service to consider the aspects of Miss R's complaint that relate to events prior to the county court judgment. In her complaint form, Miss R said that she'd raised a complaint about the incorrect reporting on her credit file of non-payment and I agree with the investigator that this service is able to consider her complaint about that issue.

Advantage Finance defaulted Miss R's account in April 2023 and the default is showing on Miss R's credit file as the hire purchase agreement being defaulted in April 2023. The default will stay on her credit file for six years from the date of the default. The county court judgment is also showing on Miss R's credit file as being made in July 2023 and it will also stay on her credit file for six years from the date of the judgment.

An attachment of earnings order was also made but it was suspended when Advantage Finance agreed to accept monthly payments of £60 from Miss R. The default that Advantage Finance has reported to the credit reference agencies is being updated each month to show the current outstanding balance of the debt, which is being reduced by the payments that Miss R is making to it each month.

Advantage Finance is required to report true and accurate information about Miss R's account to the credit reference agencies. I consider that it has correctly reported to the credit reference agencies that Miss R's account was defaulted in April 2023, a county court judgment was made in July 2023 and that the outstanding balance of the debt is reducing each month by the payments that she's making to it. Advantage Finance isn't responsible for how each of the credit reference agencies chooses to present that information on its version of her credit file.

Miss R says that she became aware following advice after a consultation with a mortgage broker that a county court judgment and non-payment reporting shouldn't exist for the same company. I consider that a default can be reported about a debt and, if a county court judgment is then obtained about the same debt, that the county court judgment can also be reported. The date of the default should always be before the date of the county court judgment.

I'm not persuaded that there's enough evidence to show that Advantage Finance is incorrectly reporting information to the credit reference agencies about the hire purchase agreement. I find that it wouldn't be fair or reasonable in these circumstances for me to require Advantage Finance to change the information that it's reported to the credit reference agencies about the hire purchase agreement or to take any other action in response to Miss R's complaint.

My final decision

My decision is that I don't uphold Miss R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 3 October 2025.

Jarrold Hastings
Ombudsman