

The complaint

Mr C is unhappy as to how a missed payment was dealt with by Marsh Finance Limited trading as Oasis Motor Finance Ltd (Marsh).

When I refer to what Mr C has said and what Marsh have said, it should also be taken to include things said on their behalf.

What happened

On 11 July 2022 Mr C entered into a hire purchase agreement with Marsh for a car with a price of £18,180. He was due to pay 59 payments of £522.89 followed by a final payment of £621.89. The payments were made on the last day of each month. In February 2024 Mr C made arrangements to move the payment date to the 1st of each month. In June 2025 Mr C was informed by Marsh that he had arrears due to a missed payment from February 2024. They then agreed that this outstanding amount would be paid over the next ten months. He was concerned to find that the arrears had been registered on his credit file when he wasn't aware until June 2025 that he was in arrears and had made arrangements to pay. He was concerned about the impact this had on his ability to obtain credit at a competitive rate. As he wasn't happy he complained to Marsh.

On 22 July 2025 Marsh issued their response. They clarified that the payment related to the missed payment in February 2024. They acknowledged that they did not issue an arrears notice until June 2025 but in September 2024 and February 2025 they issued statements that showed the amount outstanding. It is Mr C's responsibility to maintain up to date payments. The arrears had been correctly identified and recorded on his credit file.

As Mr C was not happy he complained to us.

On 21 November 2025 our investigator issued their view. They upheld his complaint. They felt that in changing the date of payment they would not expect a payment to be made at the end of February 2024 and then the day after on 1 March 2024. They felt that Marsh had made mistakes in how they dealt with Mr C's account. In upholding the complaint they directed Marsh to:

- Waive any outstanding arrears from February 2024,
- Amend the credit file to reflect the account being up to date and remove any missed or late payments,
- Pay £250 compensation.

On 16 December 2025 Marsh contacted us to let us know that they did not agree with the investigator's view. The arrears were correct and remain payable. They were correctly recorded on the credit file and there had been no maladministration. As Marsh did not agree it has been passed to me to consider.

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 this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Mr C was supplied with a vehicle under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The essence of the complaint is that Mr C move his payments in February 2024 from it being the last day of the month to the first day. This meant that no payment was made in February 2024, although one was made on 1st March 2024. In all other aspects it appears that Mr C kept his account up to date. Marsh classed the fact that no payment was made in February 2024 as placing the account in arrears.

Marsh informed Mr C that his account was in arrears in June 2025 and arrangements were made to pay the arrears over the next ten months. Marsh registered arrears on Mr C's credit file and this impacted on his ability to obtain a mortgage for a house purchase. Marsh also sent Mr C statements of his account in September 2024 and February 2025.

Marsh are correct in their assertion that it is the responsibility of Mr C to keep his account up to date. Essentially the fact that no payment was made in February 2024 could be classed as arrears and it is generally important that a person's credit file reflects the facts.

That said I need to consider, on the balance of probabilities, whether it is fair that Mr C has arrears registered on his file in relation to this account. The FCA rules require businesses to treat consumers fairly and communicate in a manner that is clear, fair and not misleading.

Firstly, I would not expect a payment to be made on two consecutive days. As Mr C was not paying by direct debit I would have expected Marsh to be clear at the time the change was made that Mr C would have to make a payment at the end of February, as well as the start of March. I can see no evidence that he was so informed.

Marsh have highlighted the fact that they sent two statements to Mr C that would have shown the amount owing but they did not contact him specifically about the arrears until June 2025. At that stage Mr C did contact Marsh and made arrangements to pay the additional sum over ten months. It is important that when communicating with consumers businesses provide sufficient information to enable them to make informed decisions. I can see from the various communications there are general warnings about the impact that missed payments can have on a person's ability to obtain credit. However, I can appreciate that Mr C, whilst not clearing the additional sum, contacted Marsh once specifically informed about the missed payment. He made arrangements to pay so I can understand why he felt that he wasn't in arrears. As he was in the process of obtaining a mortgage, I am sure that if during these conversations Mr C had been informed that by paying in instalments arrears would be highlighted on his credit file until they were cleared, he may well have made a different decision.

As set out above that whilst technically the arrears have been accrued and registered correctly I do feel that in these circumstances Mr C hasn't been treated fairly and been disadvantaged by that. There is nothing to show that Mr C would not have paid fully in February 2024 or at the time of contact in June 2025 had the consequences been fully explained. The delay in sending a specific arrears notice denied him the opportunity to deal with this earlier. So, I do uphold this complaint and Mr C should be put in the position as if no arrears had been accrued.

Specifically Marsh should refund the additional payments that Mr C has made to clear the arrears. They should also remove the arrears from his credit file. To fulfil the agreement Mr

C will still need to pay the full 59 payments of £522.89 followed by a final payment of £621.89 but payments being made on the first of the month. In essence an extra day is being added to the term of the agreement.

As for compensation this has had a significant impact on Mr C in terms of his ability to obtain a mortgage. I feel that the £250 compensation suggested by the investigator is a fair reflection of this.

Putting things right

I uphold Mr C's complaint against Marsh and to put things right they need to:

- Refund to Mr C the additional payments he has made in respect of these arrears,
- Pay 8% simple interest per year on all refunds from the date of payment to the date of settlement,
- Remove the reference to arrears from his credit file,
- Pay £250 compensation
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My final decision

My decision is that I do uphold this case against Marsh Finance Limited trading as Oasis Motor Finance Ltd. In order to put things right they are directed to follow the redress as outlined above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 February 2026.

Leon Livermore
Ombudsman