

## **The complaint**

Mrs C complains that Startline Motor Finance Limited (“Startline”) inappropriately reported a missed payment to the credit reference agencies, adversely affecting her credit file.

## **What happened**

In January 2022, Mrs C was supplied with a car under a hire purchase agreement with Startline. The agreement was for 60 months, and Mrs C agreed to monthly payments of £328.74. In November 2024, Mrs C entered a breathing space period due to financial difficulties. The following month, Startline reported a missed payment to the credit reference agencies.

Mrs C complained to Startline. She said that by reporting a missed payment, Startline had acted outside the protections of the breathing space.

Startline issued a final response to Mrs C’s complaint. In its letter, dated 30 June 2025, Startline agreed that it shouldn’t have reported the missed payment. Startline said it would remove the record from Mrs C’s credit file and pay £300 compensation in recognition of the impact its mistake had on her.

Mrs C didn’t think Startline’s offer was enough and she brought the complaint to us. She said the marker was reapplied to her credit file on 2 July 2025, so Startline hadn’t corrected it.

Our investigator agreed that Startline had made a mistake but, to begin with, she didn’t think it needed to do any more than it had already offered to put matters right. She said there was no evidence that a marker had been reapplied to Mrs C’s credit file, and sufficient time hadn’t passed for the credit reference agencies to update their records. But Mrs C said that her credit agreement had been terminated in May 2024, which Startline had only recently brought to her attention, and she provided evidence that the markers were still on her credit file. Our investigator issued a second view in which she said Startline should backdate the default to May 2024, and pay a further £100 in recognition of its failure to remove the missed payment markers.

Mrs C didn’t agree with our investigator. She didn’t provide any additional reasons, but she asked for her complaint to be passed to an ombudsman to decide.

I issued a provisional decision in January 2026, where I explained my intention to not uphold the complaint. Here’s what I said:

## **Provisional decision**

*I'm not persuaded, currently, that Startline needs to do anything more in respect of this complaint. That's because I find that its actions up to the date of its final response were fair and reasonable.*

*To begin with, I'll explain what I've considered in reaching my provisional decision. Mrs C brought her complaint to us after receiving Startline's final response dated 30 June 2025. My remit is to reach a decision about the complaint she raised with Startline and which it addressed in that letter. Therefore, I have considered only those matters brought to Startline's attention prior to 30 June 2025 and what it did to put things right. I understand Mrs C has another complaint about Startline currently with this service. Therefore, any issues of complaint about matters after 30 June 2025, and addressed in Startline's subsequent final response letter issued in September 2025, will be considered as part of that complaint.*

*In brief, Mrs C complained to Startline because it added a default on her credit file after she missed a payment in December 2024. At the time, she was within a breathing space period which I understand commenced on 26 November 2024. A breathing space provides protection from debt related action for up to 60 days, or more depending on the reasons for it. So, Startline should not have recorded the missed payment/default on Mrs C's credit file. This is not disputed.*

*When Mrs C complained to Startline it accepted that it had made a mistake by recording the missed payment on her credit file. It apologised and said it would remove the marker and pay £300 compensation in recognition of the impact its mistake had on Mrs C.*

*Having considered the evidence, it's clear that Startline inappropriately added the missed payment marker to Mrs C's credit file. And to put that right, I'd expect Startline to remove the marker and pay compensation. As Startline had already offered to resolve matters in this way before Mrs C brought her complaint to us, I'm currently persuaded that there's nothing further Startline needs to do in respect of this complaint.*

*When Mrs C checked her credit file, she found that the marker was still recorded. However, as it was only two days after Startline issued its final response letter, it's unlikely that sufficient time would have passed for the update to be reflected on the file.*

*Recently, Mrs C provided evidence to show that the marker remains on her file, despite Startline telling her it had been removed. However, this is a different complaint to that which Startline addressed in its 30 June 2025 final response and falls outside my remit for this complaint. Therefore, I make no finding here about Startline's failure to remove the marker despite confirming it had done so.*

*To be clear, I'm currently persuaded that our investigator's first view was a fair and reasonable outcome to this complaint, and I see no reason to ask Startline to do any more about Mrs C's complaint that it added a marker to her credit file during her breathing period. Any complaint Mrs C has about matters after 30 June 2025 should be addressed in her second complaint.*

## **Responses**

Mrs C said she did not accept the findings, and she wanted to wait for the outcome of a linked complaint before responding because there were overlapping issues. She said the ongoing impact of the marker is central to the fairness of the overall outcome.

Startline made 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 thought carefully about Mrs C's decision not to accept the provisional decision, and I can understand why she has concerns. I don't disagree that her second complaint remains about the credit file marker. However, when Mrs C brought her first complaint to us, it was about matters relating to the marker up to the date of Startline's final response – 30 June 2025. It is within my remit to consider only those issues of complaint that Startline had the opportunity to resolve at that point. And, having done so, I find that Startline accepted it had made mistakes and its offer to resolve them was fair and reasonable.

Mrs C feels that Startline made further mistakes, such as not carrying out the actions it offered to resolve this complaint. If Startline failed to carry out the actions it offered, and Mrs C experienced demonstrable ongoing detriment because of that, then these matters will be addressed during investigation of her second complaint. I make no finding about any ongoing detriment here.

As Mrs C's comments relate only to her second complaint, I see no compelling reason why I shouldn't now adopt my provisional view as my final decision.

### **My final decision**

I find that Startline Motor Finance Limited inappropriately recorded a marker on Mrs C's credit file, but I'm satisfied that its offer to put matters right was fair and reasonable in the circumstances. As my decision is based on actions that Startline Motor Finance Limited had offered and which I find fair and reasonable, it should complete those actions if it has not already done so.

For the reasons explained here and in my provisional decision, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 2 March 2026.

Debra Vaughan  
**Ombudsman**