

The complaint

Miss G complains about arrears that have been recorded, and arrears notifications she has been receiving from Marsh Finance Limited (Marsh Finance).

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss G entered into a hire purchase agreement with The Asset Exchange for a used car. After the firm entered administration, Marsh Finance took over management of the agreement.

Miss G said arrears had been recorded unfairly and that she had been told previous arrears would be incorporated into her agreement. She also complained about receiving arrears letters and multiple payment reminder emails, which she considered excessive and distressing.

Marsh Finance provided account statements and notes showing arrears began in January 2024 and remained outstanding for a period with some overpayments and underpayments during that time. They said they were required to notify customers when accounts were in arrears.

Our investigator concluded that while the arrears themselves appeared to be correctly recorded, Marsh Finance had told Miss G that arrears letters would stop but continued to send communications. The investigator recommended £150 compensation for the distress caused by those assurances.

Marsh Finance didn't agree with our investigator, they said they were obligated to report the status of the account accurately. Miss G also disagreed and she explained that she was getting frequent and excessive payment reminders.

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 agree with the investigator's view of this complaint, for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The account statements and notes provided by Marsh Finance show that Miss G's account fell into arrears from January 2024. While there were occasions where she made overpayments the overall position indicates that arrears did exist for a period. In those circumstances, I can't fairly conclude that Marsh Finance acted incorrectly in recording arrears or in notifying Miss G of the account status. Firms are required to provide accurate information to customers about arrears.

However, the evidence also shows that Marsh Finance told Miss G that arrears letters would no longer be sent. Despite this she continued to receive communications including multiple automated reminder emails in close succession. While Marsh Finance may categorise these as payment reminders rather than arrears letters, the impact on Miss G is materially the same. The communications contradicted the assurances she had been given and caused her frustration and distress.

I don't consider it unreasonable for Marsh Finance to notify a customer where an account is in arrears. But where a firm has confirmed that certain communications will stop it is reasonable for a customer to expect that assurance to be honoured. In this case that did not happen.

Taking everything into account, I consider that £150 is fair compensation for the distress and inconvenience caused by the continued communications after Miss G had been told they would cease. I don't require Marsh Finance to take any further action regarding the arrears reporting itself. Having clarified the firm's obligation to provide accurate information about arrears and the status of the account—including payment reminders—I would now expect those communications to continue as appropriate.

My final decision

For the reasons I've given above, I uphold this complaint in part and tell Marsh Finance Limited to pay Miss G £150 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 20 March 2026.

Phillip McMahon
Ombudsman