

complaint

Mr W complains that Volkswagen Financial Services (UK) Limited failed to correct his credit file after an earlier complaint. And adverse findings were noted on his credit file.

background

Mr W bought a complaint to this service about a new car. A final decision was issued on 23 December 2014. VFS followed the ombudsman's instructions, but there were outstanding issues over collection of the car and removal of any reference to the hire purchase agreement from the credit file. Due to these unresolved issues, adverse findings were noted on Mr W's credit file. Mr W wants us to look at the complaint about his credit file.

VFS says it could not remove any reference to the hire purchase agreement until the car was returned. The car was not returned until March 2015 and delays were caused by Mr W. It removed the adverse information from Mr W's credit file shortly after he notified it of the problem. It doesn't think it has done anything wrong.

The adjudicator did not uphold the complaint.

adverse information

The adjudicator said the Ombudsman's final decision was issued on 23 December 2014, due to delays with Christmas it would not have been received for some time. And Mr W cancelled his direct debit due on 2 January 2015, before VFS received the final decision. An arrears letter sent in February 2015 was due to this missed payment. She felt VFS acted swiftly after Mr W told them about the letter and it removed adverse information from his credit file.

failure to remove the hire purchase agreement from his credit file

The adjudicator said VFS's systems did not allow it to remove reference to the hire purchase agreement until the car was collected. VFS contacted a third party to collect the car at the end of January 2015 and this was reasonable. She concluded the delay in the car being collected was because Mr W and the third party could not agree a time for collection. She did not think VFS was responsible for this delay. Further, VFS suppressed further information that it would normally report on a credit file until the car was collected.

The case was then referred to me for a final decision.

After I reviewed the complaint, both parties were informed that I was minded to award £150 for distress and inconvenience due to the recording of adverse information on his credit file. Both parties were asked for their comments.

Mr W responded to say he was willing to accept this.

VFS disagreed and maintained it has done everything it could and was not prepared to pay anything. It was notified that the direct debit was cancelled on 2 January 2015. It received acceptance of the final decision on 13 January 2015 and actioned this on 29 January 2015. Details of the agreement could only be removed from the credit file once the car was collected. It could not prevent adverse information being recorded as this was done automatically. And it removed the adverse information as soon as Mr W told it about the problem. Furthermore, it removed the agreement from his credit file even though the car hadn't been returned. VFS felt it had gone beyond its normal business practices to help

Mr W.

my findings

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 adjudicator for much the same reasons about the late collection of the car and the delay in removing details of the agreement from his credit file. It is unfortunate that the car collection company was initially only able to give Mr W a date when it could collect the car rather than a date and time. But the delay was not caused by VFS, rather the collection company. It is not unreasonable for VFS to arrange for another company to collect the car. I also accept that the usual process is that the agreement is not removed from the credit file until the car is collected. As this ensures the car cannot be sold on.

I have taken on board the fact that VFS acted swiftly to remove the adverse information as soon as Mr W notified it. I also accept it went beyond its normal practice and removed any reference to the HP agreement before the car was collected. However, I find that VFS could have done more to prevent the adverse information getting on Mr W's credit file in the first place, notwithstanding that this happens automatically. It could have checked it manually and acted to prevent adverse information being recorded. It must have been aware that adverse information would be recorded as it knew Mr W had cancelled the direct debit and VFS was waiting for the car to be collected. Mr W had to notify VFS that there was a problem. This caused him distress and inconvenience. I find that £150 is fair to compensate him for the hurt and upset.

my final decision

My Final decision is that I order Volkswagen Financial Services (UK) Limited to pay Mr W £150 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 November 2015.

Clare Hockney
ombudsman