

## **The complaint**

Mr C complains that Carfinance247 Limited ("Carfinance247") didn't do enough when they upheld his complaint and would like them to remove credit searches recorded against his name.

## **What happened**

Mr C used Carfinance247, a credit intermediary and broker, in December 2022, to help obtain finance to acquire a used car. Mr C later signed a hire purchase agreement with a third-party finance provider with the intention to acquire a used car and the credit intermediary was Carfinance247.

Mr C said he made two separate complaints to Carfinance247 about the service he received during this application process. In Mr C's first complaint, he complained about calls that were abruptly terminated and that Carfinance247 addressed him by his first name, rather than his surname as requested. Carfinance247 acknowledged they incorrectly addressed Mr C by his first name. They also explained that on two of the three calls that terminated, they contacted Mr C straight back. But on one occasion they hadn't. So, Carfinance247 upheld his complaint and apologised for any frustration caused.

In Mr C's second complaint to Carfinance247, he complained about the number of calls he received from them and for receiving calls during the weekend when he had requested not to at this time. Carfinance247 again upheld Mr C's complaint, and among other things, acknowledged they shouldn't have called Mr C over the weekend.

Carfinance247 also said that Mr C asked for compensation, equivalent to 50% of the commission payable to them from the finance provider, in order to proceed with the application he put through. Although Carfinance247 upheld Mr C's complaint, they didn't think compensation or redress was appropriate. And so, they said on the basis of Mr C's instruction that he will not proceed unless 50% of the commission was paid to him, they closed his application accordingly.

Mr C, unhappy with Carfinance247's response, referred his complaint to our service. Mr C said he wanted Carfinance247 to refund his losses of £500 and refund his deposit of £100. Mr C also said Carfinance247 unnecessarily completed credit searches on him and lied to him when they explained why the application had been cancelled.

Our investigator found that Carfinance247 didn't need to do anything further. In summary, he said that he thought Carfinance247 did enough by apologising for their errors. He also didn't think Carfinance247 did anything wrong by cancelling his application if he had requested it to be cancelled if he didn't receive compensation.

Our investigator also said, among other things, that he didn't think it was fair for Carfinance247 to give Mr C his £500 back. He said this was because Mr C was unhappy with their service before his application for finance was successful and that he could have looked elsewhere for finance but decided to continue with them. And that Mr C only then told

Carfinance247 that he didn't want to proceed with the finance due to not receiving compensation.

Our investigator also said it wasn't clear from the evidence he had that Mr C had made a £100 deposit payment to Carfinance247. He went on to say Mr C may have had to pay an application fee to them, and after telling them that he didn't want to proceed with the finance, he felt it was fair for Carfinance247 to retain it, if a deposit had been paid. Our investigator asked Mr C for evidence that he had sent Carfinance247 £100 and for documentation that details what the deposit was for. Our investigator explained that if Mr C provided this information, then our service could consider it further.

Mr C disagreed with the investigators view. Mr C didn't send any further details outlining what the deposit he said he sent Carfinance247 was for or any documentation to show a deposit was given to Carfinance247 and retained by them.

As Mr C disagreed, the complaint was passed to me to decide.

### **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.

Having done so, I'm not upholding this complaint and I'll explain why below.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Carfinance247 upheld both of Mr C's complaints and apologised for their mistakes. Mr C believes compensation should have been given to him. For me to reach what I think would be a fair and reasonable finding, I need to consider whether the apologies from Carfinance247 to Mr C was enough in these instances.

For me to direct Carfinance247 to award compensation, I would need to find that the impact of their errors to Mr C was more than just minimal. But, considering the issues complained about were relatively small errors, resolved within a short delay, I don't think the errors Carfinance247 to have made warrants monetary compensation to be awarded. Overall, I think on these occasions an apology was enough.

Mr C hasn't provided any further information explaining his "losses" of £500 and his deposit of £100 which he said he made. From the information available to me, I haven't seen any documentation which has shown Mr C to have made these payments or to have had these losses. Following our investigators view, where he invited Mr C to provide more information about it to consider, no more information has been given. And so, I make no findings on this matter.

Mr C has provided our service with a screenshot which shows three hard credit searches were completed on him in December 2022. Mr C believes Carfinance247 incorrectly proceeded with completing hard credit searches on him without his permission to do so. Carfinance247 has explained to our service most lenders will only complete a soft search on application and will only conduct a hard search once the agreement has been signed. However Carfinance247 went on to say they have some lenders that will conduct a hard search on application and those are usually prime lenders. Carfinance247 say that Mr C would have agreed to this happening in their privacy policy and terms and conditions.

A company doesn't always need consent from an individual to complete a credit search on them, but they must have a legitimate reason to do so, for example when an individual has applied for credit. In this instance, Mr C applied for credit through the intermediary, Carfinance247. Mr C also signed an agreement with a third-party that was subsequently sent to him. And so, I don't think it was unreasonable for credit searches to be completed on Mr C and I think it is reasonable for multiple searches to be completed on an individual if they applied for credit through an online broker.

I noted Carfinance247 sent Mr C an email suggesting his application he had made was closed as it didn't meet their lenders' requirements. I can see Mr C responded saying this was a lie as finance was initially approved but then later rejected by him as they had failed to compensate him for what he believed to be failings. I accept Mr C was given a wrong reason as to why his finance was declined in this email. However, this email sent to Mr C was dated 21 December 2022 – the same date Carfinance247's final response to Mr C explained the actual reason the application was declined. So, considering everything here, I think it was more likely than not the email sent to Mr C was an error and likely a generic email generated when an application is cancelled or declined. Considering Mr C was told the correct reason in his final response on the same day, I don't think this error would have impacted Mr C considerably. And so it follows, I don't think Carfinance247 need to do anything further in this instance.

There are aspects to Mr C's complaint which I am not able to comment on. How Carfinance247 conduct their complaint handling process isn't something I can review as we are not a regulatory body.

In summary, I don't think Carfinance247 need to do anything further.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 November 2023.

Ronesh Amin  
**Ombudsman**