

The complaint

Mrs F says Marsh Finance Ltd mis-handled her car finance agreement leading to her credit history being adversely impacted and causing her distress and inconvenience.

What happened

In October 2022 Mrs F noticed adverse information on her credit file in connection with her agreement with Marsh. Although she'd agreed on a payment plan with Marsh in 2019, she felt the information recorded on her file – indicating payments had been missed – wasn't accurate and was unfair.

Marsh replied shortly afterwards that, since Mrs F had been making payments that were less than her contractual payments of around £294 a month, this had rightly led to a negative impact on her credit file. The issue persisted and Marsh replied again in February 2023 that, due to a balance still remaining on the account, missed payment markers would show on her credit file as per its obligations to report to the credit reference agencies (CRAs) each month. Marsh said it would request that the CRAs remove all missed payment markers once the remaining balance was paid in full.

Unhappy with Marsh's responses, Mrs F brought her complaint to this service. Our investigator ultimately recommended that the complaint should be upheld. They asked Marsh to pay Mrs F £200 as compensation to put things right for the distress and inconvenience it had caused her.

Mrs F accepted the investigator's findings. But, because Marsh didn't agree with them, the complaint was passed to me to review afresh.

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 uphold this complaint. I'll explain why.

It's not in dispute that Mrs F couldn't make the contractual repayments under the finance agreement for a time. But it's also accepted that Mrs F didn't miss any payments and that the payments made were all received on time. The account's since been settled in full and, I gather, Mrs F's credit file is now accurate.

I agree with Marsh that it was obliged to report the situation to the CRAs but I'm mindful that the reporting should also have been handled accurately and fairly. Taking everything into account, I don't think that it was. I say that because Mrs F made Marsh aware the CRAs were incorrectly reporting payments as being missed. And yet Marsh, by its own admission, wasn't prepared to correct that information until the finance agreement had reached an end.

Even if Marsh reported the payment information to the CRAs correctly as it says, I believe it could have provided Mrs F with better information regarding the implications of agreeing to

the payment plan in 2019. For example, I've listened carefully to the calls Marsh has provided, one of which was from when the reduced payments were agreed. Marsh asked Mrs F what she'd be able to afford to pay and, when she said that was £50 a month, it simply agreed to put the plan in place without any suggestion that her credit file might be negatively impacted as a result. I think if Mrs F had been warned about this, the news she subsequently got would have come as much less of a shock or, perhaps, might even have been expected. As it was, I can see why Mrs F was so upset when she learned what had happened.

The situation was ongoing for a fairly significant period of time from when Mrs F first raised it until it was, to some extent at least, resolved. I don't doubt that, during that time, Mrs F was caused a material degree of inconvenience through regularly checking her credit file and relaying information to Marsh for it to act on. In addition to the trouble she was put to, I'm satisfied from the evidence I've seen, including the plausible testimony she's provided, that Mrs F experienced distress on learning of the information that had been recorded on her credit file. For example, it seems the issue understandably caused her worry over arranging a remortgage. I believe the responses she received from Marsh on the issue further exacerbated her distress.

Taking all of this into account, I'm persuaded that Marsh should pay Mrs F compensation for the impact its actions have had on her. Bearing in mind this service's general approach to awards for non-financial loss, and applying them to the facts of this complaint, I find that Marsh should pay Mrs F £200 as compensation.

Putting things right

Marsh should pay Mrs F £200 as compensation for the distress and inconvenience it caused her.

My final decision

For the reasons given, I uphold this complaint. I require Marsh Finance Ltd to put things right for Mrs F as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 30 January 2024.

Nimish Patel
Ombudsman