

The complaint

Mr M complains about (adverse) information recorded by Volkswagen Financial Services (UK) Limited ("VWFS") with one or more third party credit reference agencies in respect of his car hire agreement ("agreement").

What happened

In March 2023 VWFS agreed to remove any adverse information recorded with credit reference agencies in respect of Mr M's agreement for the period November 2022 to March 2023 and to pay him £75.00 in compensation.

On 21 April 2023 VWFS paid Mr M £75.00.

On 24 April 2023 VWFS removed adverse information that was recorded with credit reference agencies for March 2023.

In May 2023, and after Mr M had returned the car on hire to him, VWFS invoiced him £402.30 for excess mileage and £110.00 for damage.

On 26 May 2023 VWFS paid Mr M £50.00.

On 10 May 2023 VWFS removed adverse information that was recorded with credit reference agencies for April 2023.

On 26 May 2023 a repayment plan was agreed with Mr M for the clearance of the excess mileage charge (£402.30), the damage charge (£110.00) and an outstanding monthly repayment (£182.39).

On 13 June 2023 VWFS removed adverse information that was recorded with credit reference agencies for May 2023.

On 10 July 2023 VWFS reduced the sum it was seeking the recovery of from Mr M by £100.00.

On 12 July 2023 Mr M complained to our service.

On 14 July 2023 VWFS removed adverse information that was recorded with credit reference agencies for May and June 2023.

On 26 July 2023 VWFS agreed to waive the outstanding balance due under Mr M's agreement of £499.69 (£402.30 excess mileage charge plus £110.00 damage charge plus £182.39 outstanding payment less £100.00 compensation less payments made by Mr M of £45.00 and £50.00).

On 22 August 2023 VWFS removed adverse information that was recorded with credit reference agencies for June and July 2023 and marked the agreement as settled with a nil balance outstanding - backdated to April 2023.

Mr M's complaint was considered by one of our investigators who concluded that VWFS had done enough to fairly and reasonably compensate him.

Mr M didn't agree and so his complaint has been passed to me for review and decision.

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.

The sequence of events outlined above and the fact that Mr M had to contact VWFS on several occasions to have (incorrect) adverse information recorded with credit reference agencies removed isn't in dispute. So, in this decision, I've simply concentrated on what VWFS should have to do to fairly and reasonably compensate Mr M for its poor service in this respect.

Ignoring the payments made by VWFS to Mr M of £75.00 and £50.00 and ignoring the monthly payment of £182.39 that VWFS says was due and owing from Mr M (in addition to the £402.30 excess mileage and £110.00 damage charge) VWFS has, in essence, compensated Mr M £417.30 (£402.30 excess mileage charge plus £110.00 damage charge less payments made by Mr M of £45.00 and £50.00). Furthermore, whilst Mr M's complaint has been under investigation by me VWFS has advised that it's prepared to pay him a further £100.00.

Now I appreciate that Mr M may not agree. But given that he hasn't provided any documentary evidence in support of his submission that he was refused credit as a result of information recorded by VWFS with credit reference agencies and no documentary evidence to demonstrate that his agreement is now showing (with credit reference agencies) as anything other than settled with a nil outstanding balance, I can confirm that I'm satisfied that VWFS, other than having to pay Mr M a further £100.00, need do nothing further. Put another way, I can confirm that I'm satisfied that £517.30 represents a fair and reasonable sum to fairly and reasonably compensate Mr M for the distress and inconvenience this whole matter has caused him.

However, I would add that Mr M is free to raise a new complaint if it later transpires that credit reference agencies are recording, in respect of his agreement, 'adverse' information that he disagrees with.

My final decision

My final decision is that Volkswagen Financial Services (UK) Limited must pay Mr M £100.00, but it need do nothing further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 October 2023.

Peter Cook
Ombudsman