

The complaint

Mrs B complains that Mi Vehicle Finance Limited (MIVF) failed to record a financial interest on the vehicle she acquired through a hire purchase agreement it financed. She says she's suffered a financial loss and wants all payments made after August 2016 to be refunded.

What happened

Mrs B is represented by her husband but for ease of reading I'll mostly refer to her.

Mrs B tells us that the vehicle she acquired in November 2015 was involved in a serious road traffic accident in August 2016. At the time she states that it was being driven by a friend of hers - a named driver on her policy. She informs us that she was advised by her insurers, a company I'll refer to as "A", that the vehicle could be collected from the salvage company. She says the vehicle had been declared an insurance write off. Mrs B explains that the salvage company did an HPI check and didn't identify any outstanding finance on the vehicle. As a consequence of this Mrs B - having no further use of the vehicle - says she allowed the salvage company to keep the vehicle believing that the insurance company had settled the finance. She's now found that the finance wasn't settled and MIVF is seeking to recover the outstanding payments. She says if she'd been aware the finance hadn't been settled it would have been much cheaper to have the vehicle repaired as she estimated this would cost about £5,000.

MIVF told us it had registered its interest in the vehicle from 5 November 2015. It said that A hadn't paid out on the insurance as it (A) had voided the policy. And it advised that the reason given by A for this action was that the driver of the vehicle at the time of the incident was subsequently convicted of dangerous driving. MIVF said that Mrs B was liable for payments under the terms of the agreement.

Our investigator didn't recommend that the complaint should be upheld. She said she'd seen information to show that MIVF had recorded its interest in the vehicle. She said that if A had failed to properly note this and had given mistaken information to Mrs B then it was open to Mrs B to direct a complaint against A.

Mrs B didn't agree with this outcome. As it's not been possible to resolve this complaint an ombudsman's been asked to make the final 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.

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I understand that Mrs B would be upset and concerned to discover she was still liable for payments after she thought the matter had been settled. And having to pay getting on for £40,000 as a result of an incident for which she didn't have direct responsibility is by any standards a serious misfortune.

I should explain at the outset that as this complaint is brought against MIVF I can only look at its role in the circumstances. So if there's been a failing by other parties - as may be the case - then that's something that would need to be taken up with the individuals or businesses concerned.

In essence Mrs B's complaint is that MIVF failed to properly register its interest in the vehicle. She says the consequence of this failure was that when the salvage company ran the HPI check there was no reference to MIVF's financial interest being recorded. As a result of being given this information she contends that she was misled into thinking the insurers had settled the finance after the vehicle had been written off. And this is what led her to allow the salvage company to retain the vehicle and dispose of it.

I'm aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by this. This reflects the nature of our service as an informal alternative to the courts. 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 argument to be able to reach what I think is the right outcome.

MIVF has provided a copy of the HPI check it obtained. This shows its interest was registered from 5 November 2015. I'm unable to say why this information was seemingly not recorded on the HPI check obtained by the salvage company. But MIVF isn't responsible for any failing - if there was any - by that other business. Based on the information I've seen I find MIVF had registered its interest in the vehicle correctly.

I think it's also relevant to say that I've seen no information to show that Mrs B checked directly with MIVF to confirm the agreement was settled.

If Mrs B was advised incorrectly by A or the salvage company that there was no outstanding financial interest registered against the vehicle she may have cause for complaint against either of those businesses. But as these businesses aren't parties to this complaint I'm unable to make any formal findings about this or to recommend any award of compensation.

In summary, I find that MIVF properly registered its interest in the vehicle from 5 November 2015. The terms and conditions of the agreement set out the required payments which Mrs B had undertaken to make. As there was no insurance payment to cover the outstanding amounts it was open to MIVF to enforce the terms of the agreement against Mrs B.

In these circumstances I don't find that MIVF has done anything wrong in seeking to recover contractual payments from Mrs B. So I shan't be asking it to do anything else.

For completeness, I think I should mention that I've recently become aware of a further potential issue (not dealt with in this complaint) which it may be open to Mrs B to pursue further with MIVF if she is able to do so.

I've seen an HPI check which shows this vehicle had apparently been previously registered under a different vehicle registration number. And in 2013 its reported that it had been subject of a category C write off.

Mrs B states she was unaware of this and wouldn't have acquired the vehicle if the information had been provided at the time she was negotiating the deal over this vehicle.

The Consumer Protection from Unfair Trading Regulations of 2008 require the disclosure of any information which is necessary for a consumer to make an *"informed decision"*. This issue and whether there may have been a misrepresentation is not something that's been raised with MIVF as part of this complaint. So I can't make any findings about this matter.

I simply wish to make clear that as I've not considered this matter as part of this complaint it potentially remains open to Mrs B to raise this issue with MIVF as part of a separate complaint if she chooses to do so.

My final decision

For the reasons given above my final decision is I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 12 August 2020.

Stephen Ross
Ombudsman