

The complaint

Mr. L complains that FCE Bank Plc (FCE) wrongly took an additional payment of £281.68 on his finance agreement, delayed dealing with issues relating to the rejection of his car and didn't issue a new finance agreement after he was given a replacement vehicle. Mr. L would like the additional payment refunded and compensation for the delay following the rejection

What happened

Mr. L says FCE agreed to rejection of his car. But he says he isn't happy that FCE expected him to hand back his car before refunding money due to him. He wanted a simultaneous return and refund. He also wanted his credit file to be updated immediately but it wasn't.

He says FCE shouldn't have taken a monthly payment of £281.68 from his account in November 2018. He feels this was an overpayment due to the new vehicle not yet being ready to collect.

Mr. L also says a few months into his prior finance agreement he was given a replacement car. He doesn't feel any payments made from then on were valid as he doesn't believe he signed a new contract

Finally, Mr. L asked FCE to refund a £80 fee to remove a cherished plate and a £55 fee to change his insurance details

Our investigator didn't uphold Mr. L's complaint. He found that FCE issued Mr. L the refund due on rejection of his car before it got the car back as a gesture of goodwill which he felt was reasonable. That delays in updating the credit file largely occurred due to the delay in Mr. L handing the car back but, as with the refund, FCE had amended the credit file prior to getting the car back. He said the settlement figure for finance would have taken into account the disputed payment Mr. L made in November 2019 so there would have been no financial loss and during that time Mr. L did have use of the car. He had evidence Mr. L had signed a new finance agreement in September 2016 with details of the replacement car listed. Mr. L had use of this car, so it was fair he paid for it.

With regard to the fees for the plate and insurance he had no evidence that Mr. L had incurred these charges

FCE accepted this view but Mr. L didn't. He said the £281.68 formed no part of any agreement with FCE. He suggested a compromise in that he was refunded half of that sum as he had use of the car for two weeks in that month. He also provided proof of the costs of insurance (£44.86) and for the number plate (£80) which he felt it was fair to be refunded.

Our investigator considered these points but didn't change his view. He said the November payment was a regular monthly payment and that payment would have been considered in the settlement figures. Also, as FCE was not involved in the delay in picking up the new vehicle it wasn't responsible for this delay.

With regard to the receipts provided he noted the receipt for the plate was dated prior to the new agreement and was for a plate that wasn't put on the new car. As Mr. L chose to end the previous agreement, he felt this was a fee he would have incurred regardless of FCE's actions if he wanted to keep the plate so didn't feel it was fair to ask FCE to reimburse this fee.

He said the insurance fee related to a registration number that didn't relate to either the old or new vehicle. He suggested Mr. L might have sent this in error and suggested he sent the correct documentation to be considered.

Mr. L didn't accept this further view. He said he firmly believed the £281.68 payment formed no part of either finance agreement which had been acknowledged by both the dealership and FCE. He felt FCE were deliberately withholding evidence to confirm this.

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.

Mr. L feels strongly about his complaint and I do understand that. I also appreciate he is going to be disappointed as I've reached the same conclusion as our investigator.

As I understand it many of the issues Mr. L first raised have been dealt with, so I don't propose to go into them in detail here other than to summaries as follows. The refund due on rejection and the updating of Mr. L's credit file as I understand it were finally both actioned by FCE prior to getting the car back as a gesture of goodwill. I don't think it was unreasonable to expect the car to be returned prior to these actions being carried out. So, I think as FCE went ahead prior to getting the car back I can't see it can have done much more.

Our investigator has evidenced that Mr. L did sign a new agreement for a replacement car. But even if he hadn't, he isn't disputing he had use of the car, so he did have to make the relevant payments for it.

The outstanding issues relate to the payment Mr. L made in November 2018. And the cost incurred with regard to the change of insurance and the number plate.

In respect of the fees for the number plate and insurance change I agree with the view of our investigator. The receipt for the number plate fee was dated prior to the new agreement and for a plate that wasn't put on the car so I don't think I can reasonably expect FCE to refund that cost.

Similarly, the insurance receipt relates to a registration number that doesn't accord with either the old or new agreement. Our investigator did suggest this might be a mistake if so, suggested Mr. L provided the correct receipt. But as we haven't received any new information, I can't reasonably expect FCE to refund costs that don't seem to be associated with either agreement.

In terms of the monthly payment taken in November 2018 of £281.68 as I understand it the deposit for the new car was paid on 3 November 2018 with the cars due to be exchanged on 10 November 2018. This was delayed due to the new vehicle having been damaged on transportation. I understand the old car was handed in on 1 December 2018 in exchange for the new one.

Mr. L has made the point that FCE were not aware of any delay until 17 December 2018. I am not sure that is relevant. I think if Mr. L had use of the car it was reasonable for him to continue to make the monthly payments for it.

Mr. L has told us the dealership confirmed the disputed payment didn't form part of either the new or old agreement. He hasn't evidenced this but even if the dealer made that statement, I don't feel its reasonable to have use of a car for free - unless that had been specifically agreed but I can't see any evidence that was the case.

I understand the previous finance agreement wasn't settled until the beginning of December 2018 so the old agreement would still have been in force at the time the disputed payment was made. And I would have expected that payment to have been considered in settling the old account and setting up the new one. I haven't seen any evidence that this wasn't the case. And Mr. L hasn't suggested there is any issue with the settlement figure. So, on that basis I don't feel I can reasonably ask FCE to refund this payment.

I also don't feel I can reasonably ask FCE to pay any compensation as Mr. L has requested as I haven't found FCE has done anything wrong.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 February 2021.

Bridget Makins
Ombudsman