

## The complaint

Mr C complains about the outstanding debt on his account with Secure Trust Bank plc, trading as Moneyway, relating to a car that was supplied to him under a hire purchase agreement. Mr C's mother is helping him with his complaint.

## What happened

A used car was supplied to Mr C under a hire purchase agreement with Moneyway that he signed in July 2011. He didn't make all of the payments under the agreement so a default notice was issued to him in March 2013. The car was then repossessed in July 2013 and was sold at auction – the proceeds of sale of £4,500 were credited to his account but there was an outstanding balance of £5,841.40.

The debt of £5,841.40 was sold to a third party in May 2014. Mr C says that he was contacted by a debt collection agency about the debt in January 2019 and he complained to Moneyway in August 2019. It said that the outstanding balance was correct and it was unable to agree that it had acted inappropriately.

Mr C wasn't satisfied with its response so complained to this service in January 2020. I issued a jurisdiction on this complaint to Mr C and to Moneyway in January 2021 in which I said:

*"I consider that this service does have the legal power to consider Mr C's complaint to the extent that it relates to what Mr C says he was told by Moneyway about the amount received from the auction of the car clearing his outstanding debt and any actions that have been taken by or on behalf of Moneyway within the six years preceding the date of Mr C's complaint to this service".*

Our investigator considered those parts of Mr C's complaint but he didn't recommend that the complaint should be upheld. He said that Mr C was told about the outstanding debt and he didn't believe that Moneyway needed to do anything more regarding the areas of Mr C's complaint that this service is able to investigate. Mr C has asked for his complaint to be considered by an ombudsman and he's explained why he doesn't feel that he's been treated fairly.

## 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 agree with the conclusions reached by the investigator for these reasons:

- Mr C didn't make all of the payments that were due under the agreement and he was sent a default notice in March 2013 and the car was repossessed in July 2013;
- the car was then sold at auction and Mr C says that he was told that that the amount received from the auction of the car would clear his outstanding debt - but I don't consider it to be likely that Moneyway would have told him that;

- the outstanding balance of Mr C's account when the car was repossessed was £10,035.56 and the price of the car when it had been supplied to him two years earlier was £10,359.58 – so I consider that he would have known, or ought reasonably to have known, that it was highly unlikely that the sale proceeds would clear the balance on his account;
- Moneyway has provided evidence to show that the outstanding balance of his account after the sale proceeds of £4,500 had been applied was £5,841.40;
- Moneyway's account notes show that account statements were sent to Mr C in June 2013 and June 2014 but there's no reference in those notes to any collection activity being undertaken;
- the account notes show that Mr C's debt of £5,841.40 was sold to a third party in May 2014;
- although I consider that it would be reasonable to expect Moneyway to have contacted Mr C about the debt between July 2013 and May 2014, it had already sent him a default notice and repossessed his car, and I'm not persuaded that it was required to contact him about his outstanding debt;
- the third party's contact notes show that it sent a letter to Mr C in May 2014 about his debt being transferred to it and those contact notes also show that it has regularly sent letters and account statements to Mr C and that it has tried to contact him by phone;
- Mr C clearly received the letter that it sent to him about his outstanding debt in January 2019 and I consider it to more likely than not that Mr C would also have received at least some of the communications that were sent to him by the third party so he would have known that he had an outstanding debt; and
- I'm not persuaded that there's enough evidence to show that Moneyway has acted incorrectly in its dealings with Mr C and I find that it wouldn't be fair or reasonable for me to require it to arrange for the third party to reduce or waive his debt, to pay him any compensation or to take any other action in response to his complaint.

### **My final decision**

My decision is that I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 April 2021.

Jarrold Hastings  
**Ombudsman**