

The complaint

Mr B complains about the actions of Secure Trust Bank plc, trading as Moneyway, in response to his voluntary termination of a hire purchase agreement under which a car had been supplied to him.

What happened

A used car was supplied to Mr B under a hire purchase agreement with Moneyway that he signed in May 2016. He phoned Moneyway about voluntarily terminating the agreement in February 2020 and voluntarily terminated it the following month. The car was collected from him and inspected by a third party on behalf of Moneyway and damage with a repair cost of £255 was identified.

Moneyway charged Mr B £255 for the damage but he said that he'd been told that no further payments would be required. He complained to Moneyway and asked it to provide him with a recording of the February 2020 call. He didn't receive the call recording and Moneyway sold his debt to a third party.

Mr B complained to Moneyway that it had sold the debt without answering his complaint about the charges. Moneyway said that it had issued a response to his complaint in July 2020, the debt was sold in October 2020 and it's a part of the terms and conditions of the agreement that the debt may be sold to a third party.

Mr B wasn't satisfied with its response so complained to this service. Our investigator didn't recommend that his complaint should be upheld. He said that Moneyway had made an error by not sending Mr B a copy of the call which caused him to wait, but he thought that it was fair and reasonable to say that Mr B could have contacted it to inform it that he hadn't received the call and that, if he'd done so, it was likely that the debt being sold would have been postponed.

Mr B has asked for his complaint to be considered by an ombudsman. He says that Moneyway promised him a copy of the phone conversation and was legally bound to supply it but failed to deliver it. He says that it then sold the debt to a debt recovery service without informing him, which it was legally bound to do, and that it hasn't properly investigated his complaint. He feels that Moneyway's treatment of him has been poor and it has stepped outside of what it's required to do.

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 B phoned Moneyway in February 2020 about voluntarily terminating his agreement – I've listened to a recording of that call and the voluntary termination process was clearly explained to him, including that the car would be collected from him and inspected by a third party and that he would be liable for damage to the car;

- he voluntarily terminated the agreement and the car was collected from him and inspected by a third party in March 2020, and damage with a repair cost of £255 was identified;
- Mr B hasn't complained about the charges so I haven't considered whether they were fair and reasonable but photos of the damage are included in the inspection report and the agreement said that Mr B would: "... *pay for all ... damage to the Vehicle even if caused by events beyond [his] control ...*"; other than: "... *damage due to fair wear and tear*";
- Mr B was charged £255 for the damage by Moneyway so he complained to it because he said that he'd been told that no further payments would be required;
- it sent him a final response to his complaint in July 2020 in which it said that it had clearly stated that he would be liable for any damage charges which were identified in the inspection report and that a copy of the call recording had been requested and he should receive it within 30 days;
- the £255 remained outstanding so Moneyway sold the debt to a debt recovery company in October 2020 and the debt recovery company contacted Mr B about the debt - so he made another complaint to Moneyway;
- it said that it had issued a response to his complaint in July 2020, the debt was sold in October 2020 and it's a part of the terms and conditions of the agreement that the debt may be sold to a third party;
- Mr B was clearly told in February 2020 that he would be liable for the damage to the car when he voluntarily terminated the agreement so I consider that the response that Moneyway sent to Mr B in July 2020 was fair and reasonable;
- it had said that it would send him a recording of the February 2020 call but I've seen no evidence to show that it did so – but I've also seen no evidence to show that Mr B told Moneyway that he hadn't received the recording that he'd requested until he contacted it in October 2020 after his debt had been sold to a debt recovery company – I consider that it would be fair and reasonable to expect Mr B to have contacted Moneyway when he didn't receive the call recording if he was waiting to receive it;
- our investigator has sent a recording of the call to Mr B;
- the hire purchase agreement, which Mr B had signed and agreed to, says: "*We may assign our rights under this agreement to another person*" – so I consider that Moneyway was entitled to sell the debt to a third party;
- Mr B says that the debt shouldn't have been sold because Moneyway hadn't answered his complaint – but it had issued its final response letter to Mr B and considered that it had dealt with his complaint;
- Mr B sent an e-mail to Moneyway in October 2020 after he'd been contacted by the debt recovery company – so he knew that his debt had been sold to it and he'd agreed in the hire purchase agreement that Moneyway could assign his debt to a third party – I'm not persuaded that there's enough evidence to show that it acted incorrectly when it sold his debt to the debt recovery company but I consider that Moneyway should have notified Mr B that his debt was being sold;
- in that e-mail he said: "*I believe you have acted entirely incorrectly as we were going through a complaint procedure which had not been satisfied*" – but he didn't tell it that he hadn't received the call recording and I consider that its response to his second complaint was fair and reasonable – and I'm not persuaded that there's enough evidence to show that it hadn't properly investigated his complaint;

- Mr B has said that Moneyway should tell him the amount that it received for the car when it was sold at auction – but I'm not persuaded that there's any requirement for it to provide that information to him – and I don't consider that the selling price of the car affects his voluntary termination of the agreement or his liability for any damage to the car in these circumstances; and
- I sympathise with Mr B for the issues that he's been caused because Moneyway didn't send the call recording to him and because it didn't notify him that it had sold his debt to a third party – but I'm not persuaded that those issues are enough to justify me requiring Moneyway to waive the £255 that it's charged him for the damage to the car, to pay him any compensation or to take any other action in response to his complaint.

Mr B says that he can't afford to pay the charge for the damage. I suggest that he contacts Moneyway and tries to agree an affordable payment arrangement for the charge. He should explain any financial difficulties that he's experiencing to Moneyway – and it's required to respond to any such difficulties positively and sympathetically.

My final decision

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

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

Jarrold Hastings

Ombudsman