

The complaint

Mr H complains that Oplo CF Limited, trading as 1st Stop Car Finance Limited, has terminated the hire purchase agreement under which a used car was supplied to him and has repossessed the car.

What happened

A used car was supplied to Mr H under a hire purchase agreement with 1st Stop Car Finance that he signed in March 2018. He says that he lost his job in 2018 and missed payments but a payment arrangement of £60 each week was agreed in November 2018. There continued to be issues with Mr H's payments and a payment arrangement of £30 each week was agreed in October 2018 but his payment issues continued.

Options including a default, selling the car and settling or terminating the agreement were discussed in January 2020 and a one month hold was put on his payments to give him "*breathing space*" but 1st Stop Car Finance sent him a notice of default. He didn't take the action required in the default notice so 1st Stop Finance sent him a termination letter in March 2020. The agreement was terminated and the car was repossessed in July 2020.

Mr H complained to 1st Stop Car Finance in October 2020 but it said that it had no choice but to repossess the car and that it was unable to amend his credit file as it was reporting the correct data. It said that the arrears on his account were £2,553.72 and that the gross outstanding balance was £7,948.90. Mr H wasn't satisfied with its response so complained to this service.

Our investigator didn't recommend that his complaint should be upheld. He described the attempts that 1st Stop Car Finance had made to discuss the situation with Mr H and he didn't think that it had acted unreasonably by repossessing the car.

Mr H has asked for his complaint to be considered by an ombudsman. He says, in summary, that he lost his job in May 2018, he asked about returning the car, he didn't receive the letters that were sent to him and the information that he's been sent by 1st Stop Car Finance has been corrupted.

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:

- the car that was supplied to Mr H had a price of £6,499 and he signed the hire purchase agreement, made an advance payment of £99 and agreed to make 59 monthly payments of £208.22 and a final payment of £383.02;
- 1st Stop Car Finance's system notes record in detail the contact that it has had with Mr H about his hire purchase agreement, including the attempts that it has made to contact him and the issues with his payments;

- the first payment due under the agreement in March 2018 wasn't made and Mr H told it about his new job in October 2018 – although he discussed his circumstances with 1st Stop Car Finance in detail in May 2018, there's no reference to him losing his job at that time;
- there have been frequent issues with the payments due from Mr H and 1st Stop Car Finance has agreed reduced payment arrangements with him because of the financial difficulties that he's described;
- the system notes show that Mr H called 1st Stop Car Finance in January 2020 to discuss his arrears and his options – he was given a settlement figure, a default and termination were discussed, and he explained the personal difficulties that he was experiencing – a one month hold was put on his payments to give him "*breathing space*";
- 1st Stop Car Finance sent him a notice of default five days after that call – I don't consider that it was fair or reasonable for it to send him a notice of default at that time as it had agreed to give him "*breathing space*" and to put a hold on his payments – I consider that it should have at least waited until the "*breathing space*" had ended before sending him the default notice;
- the default notice was sent using the correct address for Mr H but he didn't respond to it and didn't take the actions required by the default notice – I consider it to be more likely than not that the default notice was sent to Mr H even if he didn't receive it and that 1st Stop Car Finance had complied with the requirement to send him a notice of default;
- I consider it to be more likely than not that Mr H wouldn't have responded to the default notice if it had been sent to him after the "*breathing space*" had ended and that his agreement would have been terminated and the car repossessed so I don't consider that it would be fair or reasonable for me to require 1st Stop Car Finance to take any action because it sent the notice of default to Mr H earlier than I consider that it should have;
- Mr H's account was then defaulted and he was sent a termination letter – he says that he didn't receive it and has described the difficulties that he's been caused by the government imposed restrictions in response to the pandemic – but 1st Stop Car Finance's system notes show that it has unsuccessfully tried to contact Mr H by phone, text and e-mail in addition to the letters that it sent to him;
- the car was then repossessed from Mr H in July 2020 and was sold at auction and the sale proceeds were applied to his account;
- I consider that 1st Stop Car Finance has responded to Mr H's financial difficulties positively and sympathetically – as it was required to do – and I'm not persuaded that there's enough evidence to show that 1st Stop Car Finance acted incorrectly when it terminated Mr H's agreement and repossessed the car;
- the car has been sold so can't be returned to Mr H, his agreement has been terminated and I don't consider that it would be fair or reasonable in these circumstances for me to require 1st Stop Car Finance to reinstate the agreement;
- 1st Stop Car Finance is required to record true and accurate information about Mr H's payment history on his credit file – I'm not persuaded that there's enough evidence to show that it has recorded untrue or inaccurate information on his credit file or that it has calculated the outstanding balance of his account incorrectly; and
- I sympathise with Mr H for his financial difficulties and the other issues that he's described, but I find that it wouldn't be fair or reasonable for me to require 1st Stop Car Finance to remove any of the adverse information that it's recorded on his credit

file, to pay him any compensation or to take any other action in response to his complaint.

I suggest that Mr H contacts 1st Stop Car Finance to try to agree an affordable repayment arrangement for the amount that he owes to it. If he doesn't do so, I consider it to be likely that it will take further action to recover that amount from him (to the extent that it's legally entitled to do so). It's required to continue to respond to his financial difficulties positively and sympathetically.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 November 2021.

Jarrold Hastings

Ombudsman