

## **The complaint**

Mr R complains about damage charges Secure Trust Bank Plc trading as Moneyway ("Moneyway") tried to recover from him after he returned a car to it that was subject to a hire purchase agreement ("agreement").

## **What happened**

In early 2018 Mr R entered into an agreement for a used car costing £7,995. The car was approximately seven years old and had travelled approximately 49,000 miles.

Everything else being equal Mr R undertook to pay Moneyway 59 monthly payments of £205.53 followed by one monthly payment of £215.53 – making a total repayable of £12,341.80 at an APR of 20.3%.

In late 2020 Mr R returned the car and voluntarily terminated the agreement, as was his right.

After the car had been collected and inspected Moneyway sought to recover from Mr R £535 for damages, a sum it later reduced to £435 and then to £225.

Mr R was unhappy with being charged anything by Moneyway for damages, so he complained to our service.

Mr R's complaint was considered by one of our investigators who came to the view that Moneyway should:

- waive any outstanding damage charges it was seeking to recover from Mr R
- ensure Mr R's credit file showed the agreement as settled with a zero outstanding balance
- ensure any adverse information noted on Mr R's credit file in respect of damage charges (such as arrears) is removed

Moneyway agreed with the investigator's view but Mr R didn't. Mr R said he should also be compensated for the distress and inconvenience Moneyway's unjust decision to pursue him for damage charges had caused him.

The investigator considered both parties' response to his view, but he wasn't persuaded to change his mind. Therefore, Mr R's complaint has been passed to me for review and 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.

Both parties agree with the investigator's view that any outstanding damage charges should be waived, and that Mr R's credit file should be amended (where necessary) to show the agreement as settled (with a zero outstanding balance) and to show no adverse information (in respect of damage charges).

Because of this, other than saying I fully agree that this is a fair and reasonable thing to happen, I make no further comment or finding on this particular point.

However, this isn't the end of matters. Mr R submits that he should also be compensated for the distress and inconvenience Moneyway has caused him in pursuing him for the various damage charges.

Mr R disagreed with Moneyway's decision to hold him liable for one or more damage charges and with its decision to seek recovery of the same from him. But just as Mr R was entitled to his view on these two matters, Moneyway was entitled to its. And such disagreements don't, in themselves, warrant the making of an award for distress and inconvenience in favour of the consumer even where our service ultimately 'sides' with the consumer's view on matters.

Now Moneyway dealt with Mr R's complaint as I would expect it to and that includes giving him referral rights to our service (in good time) and agreeing to stop seeking payment of the charges when requested by us to do so.

So, although I appreciate Mr R will be disappointed, I'm not persuaded that in the particular circumstances of this case an award for distress and inconvenience is warranted.

### **My final decision**

My final decision is that Secure Trust Bank Plc trading as Moneyway must:

- waive all the damage charges it was seeking from Mr R
- ensure Mr R's credit file shows the agreement as settled with a zero outstanding balance
- ensure any adverse information recorded with credit reference agencies in respect of the damage charges (such as arrears) is removed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 July 2022.

Peter Cook  
**Ombudsman**