

The complaint

Mr W complains about the support he has received from Secure Trust Bank Plc trading as Moneyway ("Moneyway") in relation to a hire purchase agreement he has with it.

What happened

In March 2017 Mr W took out a hire purchase agreement with Moneyway under which it supplied him with a used car. The cash price of the car was £8,337, Mr W paid a deposit of £1,000, and Moneyway supplied credit of £7,337. The term of the agreement was 60 months, and the monthly repayments were £221.63.

Initially there were no issues with the repayments. Then, according to Mr W, in March 2019 he began to have money troubles, as result of which Mr W tells us he missed a repayment. He does not say whether he made up this missed payment. But what he does tell us is that he talked to Moneyway, and according to him, it said as long as he did not miss any further payments it would be Ok.

However, in April 2020 due to the Covid-19 pandemic Mr W was furloughed for a 12-week period. Mr W mentions this but adds "*this did not have an impact on me making payments towards*" the agreement. Rather, he suggests it was having to move home due to mental health issues that caused him to fall behind again with his repayments. It appears that prior to this Mr W had been living with his parents, once he moved out his disposable income decreased. As a result, he missed another repayment seemingly in October 2020.

Following this and now in arrears by at least two months it would seem, Mr W tells us that Moneyway contacted him about the situation. Mr W tells us he told Moneyway that he was trying to claim Universal Credit. He also tells us he gave Moneyway information about his income and expenditure at this point, and it told him this showed he could not afford the repayments. Nonetheless it appears that the agreement continued beyond this point. While all of this was going on Moneyway put the account on hold on several occasions.

Subsequently Mr W says he got advice from an organisation that specialises in helping consumers with their debt. Mr W tells us it advised him to ask Moneyway if either a) it could reduce his payments or b) if his repayments could be paused whilst he paid off the arrears. According to Mr W, Moneyway rejected both of these options.

Mr W points out he was going through all of this during unprecedented times (due to the Covid-19 pandemic) and it appears that he thinks that Moneyway's response was unhelpful.

Further, Mr W suggests that Moneyway gave him inaccurate and incomplete information when discussing what help it could offer him. For example, Mr W suggests that Moneyway suggested he might like to surrender the car under a process known as voluntary surrender. This is a process where the consumer hands the car back to the supplier, the supplier sells it at auction and uses the money to help settle the debt. If there is a balance owing the consumer remains liable for this. Mr W indicates Moneyway did not explain the ins and outs of the voluntary surrender specifically he was unaware he would be liable for any balance.

Moreover, Mr W complains that he was not put through to a manager at Moneyway when he asked to speak to one. He considers his request to speak to a manager should have been granted.

Mr W underlines that dealing with this matter has made his mental health worse to such an extent that he is now taking medication to deal with it, and he would rather not be alive. Mr W made this particular point to Moneyway in a letter of complaint he wrote to it dated January 2021.

Moneyway responded to say the following. Mr W missed two payments one in February 2019 and one in March 2019. As a result, it issued a default notice. Mr W contacted Moneyway at this point his arrears were £443.26. Mr W indicated he could not pay off the entire amount of the arrears in one payment. Therefore, he paid it £221.63 to pay off part of the arrears, the balance of the arrears was to be paid over the next two months together with Mr W's normal contractual repayments. The repayment date for the agreement was also changed to line up with the day Mr W received his salary. Despite this agreement Moneyway went ahead and registered a default on Mr W's account at this point.

However, according to Moneyway Mr W did not stick to the plan to pay off the remaining arrears. As a result, it did not receive the remaining arrears. Mr W and Moneyway spoke again on 8 April 2019. According to Moneyway's records Mr W told it that he'd not kept to the agreement because he'd just changed jobs and he was earning less than he had anticipated. However, he was about to change jobs again and would be earning more.

According to Moneyway's records, Mr W and Moneyway spoke again on 15 April 2019, at this point Mr W told Moneyway that he had just moved in with his parents. He also agreed to make a payment on 3 May, of £221.63 which he did. But in addition to this payment Mr W had a contractual repayment to make on 7 May, but he did not make this repayment on this date. Instead it was not until 1 June that Mr W made the repayment that had been due on 7 May. According to Moneyway's reckoning Mr W's account remained one month in arrears, from this point onwards because he always missed his contractual payment date and paid late. Then on 5 October 2020 a further payment was missed. According to Moneyway this meant Mr W's account was now two months in arrears.

Moneyway tells us that on 5 October 2020, after complying with the relevant formalities, it terminated Mr W's agreement. As a result, it asked Mr W to return its car. On 6 October its records show it had a telephone conversation with Mr W. In that call Mr W told it that he could not pay off the arrears because he'd just moved out of his parents' home and his living expenses had gone up. Despite this Mr W wanted to keep the car. It appears that Moneyway was prepared to consider entering into an informal arrangement to allow him to keep the car, but it wanted him to fill in an income and expenditure form before taking this any further.

However, Mr W wanted to get some debt advice from a third party before going ahead. Moneyway gave Mr W time to do this. They resumed their telephone conversation on 8 October. In this call Mr W's income and expenditure were assessed and it was found that his income was less than his outgoings. At this point Moneyway told Mr W it was not in his best interests to enter into an informal repayment agreement with him. Mr W apparently disagreed and asked to speak to a manager and this request was declined.

The next significant exchange that Moneyway tells us about took place in a phone call on 12 October when Mr W asked Moneyway to put a hold on his account whilst he spoke again to his debt advisor. Moneyway agreed to freeze Mr W's account until 16 November.

Moneyway heard nothing from Mr W on 16 November so instead it contacted him on 17 November 2020, Mr W asked for his account to be put on hold for an additional two weeks so he could talk more to his debt advisor. Mr W explained he had called Moneyway on 16 November but had been unable to get through. Once again Moneyway froze repayments on Mr W's account, this time until 1 December 2020.

The firm says that it tried to contact Mr W between 2 December 2020 and 9 January 2021 without success. On 11 January Mr W contacted Moneyway. It tells us it told Mr W it could not put his account on hold for any longer, Mr W told it he could not afford the repayments. He also mentioned he was in the process of getting a different car with help from a relative.

Mr W confirmed that his financial situation had not changed since he last told Moneyway about his income and expenditure. But, nonetheless, Moneyway suggested Mr W might find it helpful to fill in a new income and expenditure form. It also agreed to put the account on hold again until 16 January, despite saying earlier on that it could not do this. That said, this new hold on the account was only agreed by Moneyway on the basis that Mr W would call it on 15 January 2021.

Mr W sent Moneyway his new income and expenditure form on 15 January. It once again showed that Mr W's expenditure was greater than his income. In late January 2021 Mr W agreed to a voluntary surrender of the car.

Later Mr W complained to Moneyway about the support it had offered him and the explanations it had given him about the options open to him. It appeared he had also changed his mind about the voluntary surrender because Mr W asked that Moneyway reduce his repayments so that he could retain the car. He indicated that he needed the car both in order to take care of his child and for his job.

Moneyway did not agree that it had done anything wrong and it declined Mr W's latest requests.

Dissatisfied, Mr W complained to our service.

Once Mr W's complaint was with us Moneyway supplied some additional information which in part revised its earlier stance. It said, in addition to the missed payments it had already told us about, in August 2018 Mr W missed monthly repayment for that month. When it spoke to Mr W in August 2018, he explained that he had been left with insufficient funds due to paying for a house deposit. Initially Mr W agreed to pay off the arrears over three months. He did not do this, and he also missed his repayment for September 2018. However, he did make a one-off repayment to reduce the arrears rather than clear them. Given that the arrears had been reduced Moneyway decided to continue with the agreement.

Mr W contacted us before we had issued any view about his complaint to tell us that Moneyway had told him we had already looked at his complaint and it "*had not gone his way*". He said on this basis Moneyway was telling him he now had to return its car. Moreover, it told him the car would be sold and after that he would have to pay off the remaining balance in full.

I considered Mr W's complaint and I issued a provisional decision. This was what I said in that decision about what I'd 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."

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

I think it is very clear from the background to this case that I set out above that Mr W very much wanted to retain the car, and Moneyway did, at times, put forward solutions that could allow him to keep it.

That said, there can come a point where despite the best intentions of the parties it is no longer viable to keep the agreement going. Mr W seems to have been experiencing financial difficulties at various points during the life of the agreement. Some of those instances of financial difficulties seemed, on the face of it, to be one-off events. But when you dig deeper that picture changes somewhat. I say this because even on those one-off occasions Mr W did not appear to have the additional financial resources to fully pay off the arrears. This in turn suggests that those seemingly isolated events were in fact symptomatic of wider financial difficulties that meant Mr W struggled to meet his repayments and take on the additional burden of clearing the arrears at the same time.

Where a consumer is experiencing financial difficulties, it is expected that financial businesses respond with consideration and forbearance. What this means will depend on the circumstances, but a business might consider options such as rescheduling arrears or repayment plans or freezing repayments for a period of time. I note that Moneyway used all of these options at one time or another in relation to Mr W's account. What consideration and forbearance does not mean is continuing with an agreement when the consumer has reached the point where they are no longer able to afford to continue.

I think that ultimately by October 2020 and arguably earlier given his payment history Mr W just had no realistic means of keeping up with his repayments and clearing the arrears. I don't say this to upset Mr W, far from it, but that seems to be the reality of situation. Even if it is arguable whether Mr W was experiencing sustained financial difficulties before October 2020, I'm satisfied that from this point his financial circumstances had changed to such an extent that every month he was having to spend more than he earned. It does not seem that this was a temporary situation. That being so, despite knowing that Mr W suggests keeping the car is very important to him, I think it was not in his best interests to keep on going with the agreement beyond this point.

I realise that Mr W is likely to disagree, He seems to indicate that he'll be able to manage if Moneyway gives him breathing space by reducing the repayments or freezing them while he pays off the arrears. But even if the repayments were reduced, as he has asked for, it appears he does not have the means to make any repayments even reduced repayments as he has negative income.

Moreover, when Mr W talks of reduced payments he seems to mean token payments, he previously offered to pay £1 per month. Further, given Mr W's financial circumstances, it is not clear how he would repay the arrears if the monthly repayments were frozen. Presumably he would only have £1 per month to pay off the arrears. It follows that I don't agree that Moneyway acted unreasonably in suggesting the best way forward was termination of the agreement.

That said, a finance provider is expected to think about the best interests of the consumer and treat them fairly. It should therefore clearly explain the different options to end the agreement in order that a consumer can make an informed choice about which option is best for them.

The finance provider should clearly explain:

- *What options the consumer had.*
- *How each option works.*
- *The implications of each option – such as how much would likely be left to pay, the possible impact on the consumer's credit file and whether the consumer can keep the car or not.*
- *That not choosing an exit option could result in termination of the agreement with enforced recovery/repossession – which is usually the least financially desirable outcome from the consumer's perspective.*

When I look at what happened here, on balance I don't agree that Moneyway did behave appropriately in relation to the termination options it offered. I say this because Mr W had a number of options, voluntary surrender, voluntary termination, or termination by Moneyway for breach of the agreement with enforced recovery.

I've already explained what voluntary surrender is. This option is likely to be a good option early on in an agreement as it is likely to result in no balance being owed or only a small one. However, in this instance, by the time Mr W's agreement was terminated, the agreement had been running for around 3.5 years. In the circumstances it was unlikely to be the best option for him.

Voluntary termination is a process that allows a consumer to terminate the agreement on a voluntary basis provided certain conditions are met. If a consumer decides they wish to voluntarily terminate the agreement they will owe half the amount owed under the agreement plus any arrears that are outstanding. By October 2020 Mr W had paid over half the amount owed under the agreement. If he had been allowed to voluntarily terminate, he would not be looking at having to pay off any outstanding balance remaining after the car was sold at auction.

It also appears that that Moneyway also began to take steps to repossess the car too despite the voluntary surrender. That too would have left Mr W paying for any outstanding balance. It seems that the balance would also include both repossession costs and auction costs.

So, it looks like Moneyway went ahead with the two options that were the most financially detrimental for Mr W.

I do take on board that Mr W wanted to keep the car. But I think if Moneyway had made it clear that termination was the only option and explained each option, Mr W, on balance would have chosen the option that led to him owing the least, that is voluntary termination

For all these reasons I think Moneyway should have to treat Mr W as if he had voluntarily terminated the agreement in October 2020 except for in two respects. That is in relation to the arrears Mr W had as at October 2020 and in relation to the use of the car Mr W has had since October 2020.

As to the arrears Mr W had at October 2020 which appear to be two months repayments that is £443.26, normally Mr W would be liable for these even if the agreement was voluntarily terminated. However, It appears that these arrears, in part, had been carried over from August 2018, despite being a relatively small amount Mr W had never been able to clear them, even when he was at his most financially stable – [i.e.] when living with his parents. I think Moneyway ought to have looked into this further much earlier instead of allowing Mr W to carry over these arrears for years without any plan to sort them out. Moreover, I have no reason to doubt the accuracy of the income and expenditure analysis done in October 2020. That showed Mr W had no realistic prospect at that point of paying off the arrears in an acceptable timeframe, it would have taken him 443 months or about 37 years to have paid off those arrears at £1 per month. In the circumstances, I think it fair and reasonable that Moneyway write-off those arrears.

I recognise that Mr W still has the car and has presumably been using it given he tells us he needs it for work and for childcare. In addition, I have checked the MOT records for the car and the mileage figures show that the car has been used. It appears that the last repayment Mr W made was in September 2020. That means that Mr W has had the use of Moneyway's car for free, for around 19 months.

The parties never agreed that Mr W should have free use of the car. I think it is fair and reasonable that Moneyway be allowed to seek something for this use. I say this even though if the agreement had been voluntarily terminated in October 2020 Mr W would not now be in this position. However, I have to be fair and reasonable to both parties. Moneyway should not be expected to pay for Mr W's motoring as I have already mentioned. Moreover, even if the agreement had been voluntarily terminated in October 2020, and Mr W had obtained a new car he would still have had motoring costs.

In all the circumstances I think Moneyway should be allowed to try to recover some motoring costs from Mr W. I think it should be allowed to try and recover 50% of the monthly repayments that is $\pounds 221.63/2 = \pounds 110.81$, for each month he has had the car since October 2020.

That said, I don't have any information to show whether Mr W's financial situation has improved since October 2020. Moneyway and Mr W will have to come to arrangement between themselves about how Mr W repays it for the use of the car he has had since October 2020. But if Mr W's financial situation has not improved since October 2020 it is unlikely Mr W will have any capacity to make repayments. I remind Moneyway of its responsibility to treat Mr W with consideration and forbearance if he is still in financial difficulties. Equally Mr W must understand that as part of voluntary termination he must allow Moneyway to collect the car and it seems it would be in his best interests to arrange this with Moneyway as soon as possible.

It appears that Mr W is a vulnerable consumer due to his mental health. As far as I am aware this is still Mr W's situation. Moneyway has been on notice about this since January 2021. I have not seen anything to suggest that Moneyway ought reasonably to have been aware before this that Mr W was a vulnerable consumer due to his mental health. I would expect Moneyway to follow the relevant guidance in relation to vulnerable consumers in its dealings with Mr W [from now on].

However, Mr W has said that Moneyway has been "nothing but unhelpful" in its dealings with him. But based on the information I have I don't agree that is a fair characterisation of Moneyway's behaviour towards him. There have been several instances where Moneyway did offer help and support as I have noted above.

I have also thought about the default Moneyway registered on Mr W's account in March 2019. In general, under the relevant guidance we would not expect a financial business to register a default where a repayment plan is in place and the account is less than three months in arrears as was the case here. I therefore think Moneyway acted prematurely in registering the default in March 2019 and that the default should be removed.

Mr W told us Moneyway told him that we had issued a decision on his complaint and that we had not upheld it. This was before anyone at this service had taken a substantive look at his complaint. We asked Moneyway about this and it provided recordings of the relevant calls. It is clear from those calls that Moneyway did tell Mr W we had made a decision about his complaint and it had gone against him - this was incorrect. It is clear from the calls and from Mr W's subsequent actions how upset and confused he was about this. When he chased this up with us and then with Moneyway, Moneyway did not apologise or look into why it had given this incorrect information. In the circumstances, I think this all caused Mr W easily avoidable distress and inconvenience at a time when he was already clearly upset. I find it is fair and reasonable that Moneyway pay Mr W $\pounds 250$ for this.

Mr W has mentioned how his complaint has played out against the background of the Covid- 19 pandemic. However, he also said this did not lead to his financial difficulties. There is guidance in place that financial businesses need to follow where the Covid-19

pandemic is the cause of the payment difficulty. But the guidance does not apply where a consumer's payment difficulties did not arise due to the pandemic, as here. It follows that I don't need to mention that guidance any further in this decision as it does not apply."

The redress that I said I intended to give in my provisional decision was as follows:

My provisional decision is that I intend to require Secure Trust Bank Plc trading as Moneyway to treat the hire purchase agreement as if Mr W had voluntarily terminated in October 2020. Save that it must also write-off the arrears that Mr W had under the agreement as at October 2020. However, Moneyway can charge Mr W for the use of the car that he has had since October 2020. It can charge for this use at the rate of £110.81 per month for each month that Mr W has had possession of its car since October 2020.

Secure Trust Bank Plc trading as Moneyway must also ask the credit reference agencies to remove the default it asked them to register on Mr W's credit file in March 2019.

Secure Trust Bank Plc trading as Moneyway must also pay Mr W £250 for distress and inconvenience.

Should I issue a final decision with the same redress as in this provisional decision and should Mr W accept it Secure Trust Bank Plc trading as Moneyway must pay the total compensation within 28 days of the date on which Mr W accepts my final decision. If it pays later than this it must also pay interest on the £250 from the date of the final decision until the date of payment at the rate of 8% simple per year.

If it considers it is legally required to deduct income tax from that interest, it must send a tax deduction certificate with the payment so that Mr W can reclaim the tax if he is able to.

Mr W should refer back to Secure Trust Bank Plc trading as Moneyway if he is unsure of the approach it has taken and both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of this portion of the compensation."

I invited both Mr W and Moneyway to respond to my provisional decision they both did.

Mr W responded that he was upset with the outcome of his complaint. He told us he disagreed that Moneyway had ever been helpful to him in relation to the matters he is complaining about. From his perspective he has nothing to show for this agreement other than the loss of £9,000. He suggested that if he had not been in a tight spot he would never have gone ahead with the agreement as he thought the APR was too high. He also suggested that Moneyway ought to have carried out more checks on his financial status before lending to him. Mr W reiterated that he needs a car for work and for childcare. He suggested he did get a replacement car via a family member, but the car turned out to be unsafe and he got rid of it for this reason.

Further, Mr W explained he did stop driving the car at one point, however, right before the MOT he contacted Moneyway to see if it was OK for him to continue driving the car. Mr W indicates that Moneyway told him it was happy for him to continue driving the car, so he did. Mr W suggests that means that there was an arrangement in place between him and Moneyway that permitted him to drive the car even after the point when he had stopped paying it anything for the use of the car.

Mr W suggested that £250 for distress and inconvenience was grossly insufficient given the impact of this complaint on him.

Moneyway responded to let us know that in its opinion it had given Mr W a proper and full explanation of his termination options in particular his voluntary termination options. It sent us an extract from its internal notes. In these notes there was one line saying "*Adv part exchange, adv VT & VS – cus declined as needs car*". It added once the agreement had

been ended, Mr W lost the right to voluntarily terminate. On that basis it did not discuss voluntary termination with Mr W after this point.

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.

I thank both Mr W and Moneyway for their responses to my provisional decision. It has been particularly helpful that each of the parties took the time to set out their views on the redress which I proposed in my provisional decision, so that I have been able to gain a fuller understanding of their respective positions and concerns about some elements of the proposed redress. I've reviewed the complete file again and revisited my provisional decision.

I recognise that Mr W is disappointed that I have not agreed that he should be able to keep the car. I can well understand why he wanted this given he relies on the car for both childcare and work. Moreover, Mr W tells us he doesn't just need the car, with some help, he suggests he'll be able to pay for it too. In particular, Mr W suggests he could manage repayments and could clear the arrears, if Moneyway showed consideration and forbearance by accepting reduced payments. But based on what I've seen he could make no payments at worse or only token payments at best. Reduced payment plans are not meant to be used for consumers who can afford to either pay nothing or make token payments, such as the £1 per month he has offered previously. Hard as it may be for Mr W to hear this, I think given that Mr W seemingly had no way of making his contractual repayments nor of paying for the arrears within a reasonable timeframe, the parties had reached the point where termination was the only remaining option.

I take on board that Mr W appears to feel like he's spent £9,000 for nothing as he has no car to show for it. But the reality of situation seems to be that he was not able to keep on making his repayments nor clear the arrears after September 2020. And the agreement he signed up to only permits him to retain the car if he makes all the payments under the agreement not just some of them. I have to take it, in this instance, that by signing the agreement, Mr W was agreeing to contract on this basis. I've no reasonable grounds for saying that Moneyway must now not terminate the agreement and take the car back simply because Mr W has made so many repayments.

The next question is whether or not Moneyway explained Mr W's termination options to him clearly and in sufficient detail that he could make an informed choice. Mr W suggests it did not, Moneyway says it did. The one line mention of voluntary termination and voluntary surrender in Moneyway's internal notes does not persuade me that it had the sort of discussion it needed to with Mr W. I am not persuaded that if Mr W was presented with the option where he would owe nothing further - voluntary termination or with the option where he'd owe thousands –voluntary surrender, Mr W would have gone with the latter option. Neither do I think Mr W was made aware of the costs he'd incur if he did not hand over the car and Moneyway took repossession proceedings.

Moreover, I am persuaded that Mr W would have experienced distress once he realised the liability, he was facing due to the voluntary surrender and then due to holding onto the car which led to the repossession proceedings. It appears that Mr W thinks I have not thought about this but the £250 I have ordered Moneyway to pay is meant to cover this.

I am persuaded that Moneyway did agree that Mr W could continue to use the car just as Mr W suggests in response to my provisional decision. That does not mean that Moneyway was agreeing thereby that he could use the car and depreciate its asset while he did so free of

charge. Mr W might have taken Moneyway to mean that, however, nothing I have seen suggests that anything Moneyway said reasonably gave that impression.

As I said in my provisional decision, I think it fair and reasonable that Moneyway has the opportunity to pursue Mr W for the use he has had of the car since October 2020. It can charge for this use at the rate of £110.81 per month for each month that Mr W has had possession of its car since October 2020. That said, I am not saying Moneyway must pursue Mr W for this money. I remind Moneyway that the last time it checked Mr W had less income than expenditure. And whilst Moneyway might contact Mr W to try to set up an agreement for him to pay it for this use. Given the information I have it seems likely Mr W will have no means of paying it. Therefore, I remind Moneyway of its obligation to treat Mr W with due consideration and forbearance if he is still experiencing financial difficulties. I also remind Moneyway that Mr W is a vulnerable consumer and he must be treated in line with the relevant guidance for vulnerable consumers.

It is regrettable that Mr W consider £250 does not go far enough. It seems to me that Moneyway's decision to take away its car is the thing that appears to have caused Mr W the most distress given on how much he relies on it for work and home life. However, as I have explained above, I have found that the decision to terminate the agreement and take back the car was not inappropriate. Rather where I think Moneyway went wrong is in how it went about explaining the termination options.

I have found that Moneyway did not always behave as it should have done for example it should not have told Mr W we had decided on his complaint when we had not. But I have set out above several instances where Moneyway took action to give Mr W breathing space and an opportunity to get his affairs in order. I don't agree that it is fair to say Moneyway was nothing but unhelpful.

Mr W's comments about the APR of the agreement and about whether Moneyway ought to have lent to him indicate he is now suggesting the lending was unaffordable. However, this appears to be a new matter and has not been considered by Moneyway in its final response to Mr W or investigated within this complaint. It follows that I am unable to look at this matter in this final decision.

I have not been persuaded by the responses to my provisional decision because of this it follows that I have reached the same conclusions for the same reasons as I did in my provisional decision.

My final decision

My final decision is that I intend to require Secure Trust Bank Plc trading as Moneyway to treat the hire purchase agreement as if Mr W had voluntarily terminated in October 2020. Save that it must also write-off the arrears that Mr W had under the agreement as at and including October 2020. However, Moneyway can charge Mr W for the use of the car that he has had since October 2020. It can charge for this use at the rate of £110.81 per month for each month that Mr W has had possession of its car since October 2020.

Secure Trust Bank Plc trading as Moneyway must also ask the credit reference agencies to remove the default it asked them to register on Mr W's credit file in March 2019.

Secure Trust Bank Plc trading as Moneyway must also pay Mr W £250 for distress and inconvenience.

Secure Trust Bank Plc trading as Moneyway must pay the total compensation within 28 days of the date on which Mr W accepts my final decision. If it pays later than this it must also pay interest on the £250 from the date of the final decision until the date of payment at the rate of 8% simple per year.

If it considers it is legally required to deduct income tax from that interest, it must send a tax deduction certificate with the payment so that Mr W can reclaim the tax if he is able to.

Mr W should refer back to Secure Trust Bank Plc trading as Moneyway if he is unsure of the approach it has taken and both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of this portion of the compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 July 2022.

Joyce Gordon
Ombudsman