

## **The complaint**

Mr C is unhappy with the service provided by Marsh Finance Ltd when he settled a hire purchase agreement.

## **What happened**

In May 2021 Mr C took a hire purchase agreement with Marsh over five years to acquire a used car.

In March 2022 Mr C contacted Marsh and asked for a settlement figure for the agreement. He says he was given this over the phone. Later in the month Mr C says he spoke to Marsh again and asked what would happen to the settlement figure he was given, as at this point his monthly repayment had debited his account.

Mr C says he was told that either the most recent payment would be refunded to him, if the account was settled using the previous figure, or he could request a new figure to take the latest payment into account.

Mr C says he then sold the car and settled the finance. He says he was relying on the refund he had been expecting to use as a deposit on a new car. But, he says the payment was never refunded.

Mr C complained to Marsh, who issued its final response in May 2022. This said, in summary, that Mr C had been given incorrect information over the phone. It said the settlement figure Mr C had been given had already taken the repayment from March 2022 into account, so no refund was due. Marsh apologised for the error.

Mr C remained unhappy and brought the complaint to our service. He said he thought the payment from March 2022 should be refunded, and compensation given.

Our investigator issued her opinion. She explained, in summary, that she thought Marsh had given Mr C incorrect information when he called to query the settlement figure after March's payment had been made. She said Marsh should pay Mr C £50 to reflect this.

Mr C was unhappy with this. He said, in summary, that he'd been financially impacted by what happened. He said it would be fair to get the refund of the monthly amount he was expecting.

Our investigator said she didn't think this was reasonable, as the funds in question had been taken into account when providing the settlement figure.

Mr C remained unhappy, so the case has been passed to me to decide.

## **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.

Mr C complains about the administration of a hire purchase agreement. Entering into consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr C's complaint about Marsh.

It isn't in dispute here that Marsh gave Mr C incorrect information over the phone and all parties accept this. So, I don't think I need to comment further here. Instead, I need to consider what would be fair and reasonable to put things right, given what happened.

Mr C was told he was due a refund of a monthly payment. The crux of the matter here is whether he should get this back or not.

Having carefully considered everything, I don't think he should. I say this as Mr C wasn't due this refund – despite being told he was. The funds had been applied to the agreement and had been taken into account when providing Mr C a settlement figure. Had this not been the case, Mr C would've presumably had to pay a higher settlement figure than he was quoted – so I can't see he's lost out here as he says.

That being said, I do think it must have caused Mr C some upset to realise he wasn't due a refund when he'd been told he was. And I appreciate it must have been frustrating to realise he didn't have these funds to put towards a new agreement as he'd planned.

What I need to consider is what is a fair and reasonable amount to reflect the distress and inconvenience caused to Mr C by him being given incorrect information about the account. Having thought about everything that happened, I think the £50 our investigator recommended fairly reflects this.

### **My final decision**

My final decision is that I uphold this complaint. I instruct Marsh Finance Ltd to pay Mr C £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 September 2022.

John Bower  
**Ombudsman**