

## **The complaint**

Mr K complains that Tandem Motor Finance Limited ('Tandem'), trading as Oplo, took a hire purchase agreement payment a month earlier than he'd agreed.

## **What happened**

On 23 July 2023 Mr K took out a hire purchase car finance agreement with Tandem.

Mr K expected the first monthly repayment to be taken on 1 September 2023. When Tandem attempted to take that payment earlier, on 1 August 2023, the payment failed and Tandem marked his account as being in arrears, leading to a missed payment marker being added to his credit file.

Mr K is unhappy about what happened and says Tandem made an error. He says he specifically requested that the first payment not be taken before 1 September 2023 when he signed the agreement.

Tandem says it told Mr K that the first payment would be taken on 1 August 2023.

Our investigator thought it was understandable that Mr K had expected the payment to be taken on 1 September 2023, and not earlier. He therefore recommended that Tandem pay equivalent to 50% of a single monthly repayment by way of compensation, being the sum of £173.39. He also said Tandem needed to clear Mr K's credit file of the missed payment markers resulting from this issue.

Mr K accepted our investigator's finding and award of compensation. But because Tandem disagrees, the complaint has been passed to me for an ombudsman's 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.

In considering the complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

Mr K's car finance agreement was a regulated consumer credit agreement which means we're able to look into complaints about it.

I'm sorry to hear about the frustration Mr K has experienced due to what happened.

I've seen that the signed agreement includes Mr K's request that the first payment be taken on 1 September 2023. Tandem says that Mr K ought to have been aware of the section of the agreement that says the first payment falls due one month after the finance is advanced. But, due to Mr K's request – which he says he raised with the broker at the time – the agreement includes the date of 1 September 2023 as the 'chosen date' under the section

headed 'Payment Date.' And this doesn't seem to have been queried at all when Mr K went through the agreement signing formalities.

Tandem refers to an email sent at the time of the agreement as well as a letter it sent Mr K soon afterwards telling him that the first payment would be taken on 1 August 2023. There's an argument to be made that Mr K ought to have acted on these if he had concerns about the payment being taken too soon. But equally, Mr K had entered his requested payment date on the agreement without it being questioned – either at the time or afterwards - and on the understanding that Tandem would be able to accommodate this as the first payment date.

It follows that, having fully reviewed all the available evidence and information, I'm in agreement that it was reasonable for Mr K to make the assumption that his payment date request had been accepted by Tandem and that his first repayment under the agreement would not be taken before his requested date.

I also consider that the compensation recommended by our investigator is appropriate in these circumstances, being a sum equivalent to 50% of a monthly payment plus Tandem taking the necessary steps to rectify Mr K's credit file as well as its own records to reflect that the first payment was properly received. Mr K has said he will clear the account arrears relating to this payment as part of resolving his complaint.

### **Putting things right – what Tandem needs to do**

It follows that Tandem needs to do the following:

- Mr K compensation of £173.39, being 50% of the value of a monthly repayment, if it has not done so already.
- Tandem should remove all adverse information recorded in its own records as well as Mr K's credit file accessible via credit reference agencies in relation to the first payment made under the agreement.

### **My final decision**

For the reasons I've explained, my decision is to uphold this complaint. I require Tandem Motor Finance Limited, trading as Oplo, to compensate Mr K in the way I've set out above (if it has not done so already).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 6 May 2024.

Michael Goldberg

**Ombudsman**