

The complaint

Mrs C complains that Black Horse Limited, trading as Land Rover Financial Services (“Black Horse”) were unreasonable to terminate her finance agreement and repossess the car it financed.

What happened

In January 2022 Mrs C took receipt of a used car. She financed the deal through a hire purchase agreement with Black Horse.

Mrs C fell behind with payment and in August 2023 Black Horse terminated the finance agreement and repossessed the car.

Mrs C says they were unreasonable to do so as she was struggling with her mental health following a family bereavement and issues with her father in law’s health. She says she was also in “Breathing Space” and Black Horse weren’t allowed to take any action while that was being applied. She also thinks Black Horse were unreasonable to reject her husband’s offer to pay the arrears.

Our investigator didn’t think Black Horse had been unfair but as Mrs C didn’t agree, her complaint has been referred to me, an ombudsman, to make a final 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.

I know it will disappoint Mrs C, but I agree with the investigator’s opinion. I’ll explain why.

Where the information I’ve got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point, it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

Mrs C acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

By the time Black Horse terminated Mrs C’s account it was eight months in arrears.

The terms of the finance agreement allowed Black Horse to terminate the agreement in those circumstances.

When they identified that Mrs C was struggling to meet her financial commitments with them, I would expect Black Horse to have been sympathetic and to try to support her. I think they

were as I can see they set up a repayment plan for Mrs C. But when Mrs C failed to keep up with that plan, and as a payment hadn't been made towards the agreement since the end of 2022, I don't think they were unreasonable to conclude that it was unlikely Mrs C would be able to sustain payments. In those circumstances, I think Black Horse were fair to repossess and sell the car and to use the funds generated by that sale to offset the balance of the account.

Mrs C says they were unreasonable to take action when she was in Breathing Space but while calls suggest she discussed that with Black Horse, I can't see it was applied until much later and I, therefore, don't think Black Horse were unreasonable to continue to take recovery actions.

By the time Mrs C's husband made offers to take over the account Black Horse had already instigated recovery. I don't think they were, therefore, unreasonable to reject that offer.

Overall, I'm not persuaded that Black Horse have done anything wrong here. I'm not asking them to take any action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 17 September 2024.

Phillip McMahon
Ombudsman