

## **The complaint**

Mrs K complains that when a car she had been financing through an agreement with MI Vehicle Finance Limited, trading as Mann Island (who I'll call MI), was stolen and she called them, she was told she could cancel her direct debit. She says MI were unreasonable to subsequently default the account and terminate it when it fell into arrears.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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 K but I'm not upholding this complaint.

The terms of Mrs K's agreement allowed MI to terminate it if the vehicle was stolen. In those circumstances Mrs K would become liable for the balance that was due on the agreement less an interest rebate because the agreement was settled early. The balance due would be offset by any insurance payout.

I've listened to the call Mrs K had with MI and I think that's what the agent explained to her. It was also explained that Mrs K should keep up her direct debit payments until the insurance settlement was provided. Mrs K gave permission for MI to discuss her insurance claim directly with her insurers. I don't think there is evidence that she was told to stop her direct debit.

As the insurer confirmed that they weren't prepared to settle the claim and as Mrs K didn't make payments towards the balance that was now due, I don't think MI were unreasonable to default the agreement and subsequently to terminate it. As that amount is subject to payment under a court direction, it is not for this service to interfere with that court decision, nor can it.

I don't think MI were unreasonable to pursue collection activities or to seek to appoint solicitors to help them in those circumstances as they hadn't received payment, and the goods hadn't been returned.

I'd expect them to be sympathetic if Mrs K expressed concerns about being able to afford repayments but from what I've seen the amount she was willing to repay was unlikely to pay the balance off in a reasonable amount of time and I don't think they were unfair to reject that offer.

Overall, while I sympathise with Mrs K's situation, I don't think MI's actions have been unreasonable in the circumstances.

**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 K to accept or reject my decision before 11 November 2024.

Phillip McMahon  
**Ombudsman**