

## The complaint

Mr S complains about a fee Blue Motor Finance Ltd (“Blue Motor”) charged him for the collection of his car and about what he says is its refusal to provide him with a breakdown of the sum it says he now owes it.

## What happened

In November 2019 Mr S entered into a hire purchase agreement with Blue Motor for a used car costing £10,990.00.

Under the terms of the agreement, everything else being equal, Mr S undertook to make the following payments:

• deposit	£1,500.00
• payment (credit acceptance fee A)	£225.38
• 50 monthly payments of £225.38	£11,269.00
• payment (credit acceptance fee B)	£150.00
• option to purchase fee	£10.00

...making a total repayable of £13,154.38 at an APR of 10.17%.

On 12 April 2023 Blue Motor issued Mr S with a default notice.

On 9 May 2023 Blue Motor issued Mr S with a termination notice.

On 19 September 2023 Mr S contacted Blue Motor to advise that he was prepared to voluntary surrender the car.

On 25 September 2023 Mr S signed the necessary paperwork in respect of the voluntary surrender of the car.

On the same day Blue Motor advised Mr S that its agent would be in touch within 3-5 working days to arrange collection of the car and that in the meantime he needed to “*ensure the vehicle remain[ed] taxed, insured and...MOT[ed].*”

On 3 October 2023 the car was collected from Mr S.

On 18 October 2023 the car was sold at auction.

On 31 October 2023 Blue Motor advised Mr S that he had a balance outstanding, following voluntary surrender of the car, of £3,046.59 (excluding £10 option to purchase fee).

On 1 November 2023, following the sale of the car, £2,120.20 was credited to Mr S’ account by Blue Motor leaving a balance outstanding of £926.39 (excluding £10 option to purchase fee).

On 1 November 2023 Mr S complained to Blue Motor about a car collection fee he now understood would be payable by him.

On 13 November 2023 Blue Motor advised Mr S that having received £2,120.20 for the sale of the car he now owed it £926.39.

On 14 November 2023 Mr S requested a breakdown of what he owed.

On 27 November 2023 Blue Motor advised Mr S that it was satisfied that it was entitled to charge the car collection fee that it had and that it wasn't upholding his complaint.

On 28 November 2023 Mr S contacted Blue Motor to dispute liability for the car collection fee and to say he still hadn't been provided with a breakdown of what he owed.

On 28 November 2023 Mr S referred his complaint to our service.

On 29 November 2023 Mr S contacted Blue Motor again to dispute liability for the car collection fee and to say he still hadn't been provided with a breakdown of what he owed.

Mr S' complaint was considered by one of our investigators who came to the view that Blue Motor had done nothing wrong.

Mr S didn't agree with the investigator's view so his complaint has been passed to me for review and 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.

Having done so I can confirm that I've come to the same overall outcome as the investigator and for broadly the same reasons.

I would like to make clear that I've read the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point (including those made by Mr S in his responses to the investigator's view) or particular piece of evidence, 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. Our rules allow me to do this, reflecting the fact that we are an informal free service set up as an alternative to the courts.

Mr S signed the necessary paperwork to voluntarily surrender the car on 25 September 2023. On the same day he was advised by Blue Motor that its agent would be in touch within 3-5 working days to arrange collection of the car and that in the meantime he needed to *"ensure the vehicle remain[ed] taxed, insured and...MOT[ed]."*

Given the above I'm satisfied that Mr S should have known what his responsibilities were and that he should have reasonably understood that if the car wasn't, on the day of collection, taxed it wouldn't be able to be driven by Blue Motor's agent and a cost to uplift it would be incurred. And in respect of this I would add that I'm satisfied that the agreement (at 12.2) allows for such a cost to be passed on to Mr S as explained by the investigator.

I would also add that it should have been clear to Mr S that as Blue Motor advised him that its agent might not be in contact to arrange collection of the car until 2 October 2023 (5 working days after 25 September 2023) the possibility that the car would be collected on or after 1 October 2023 – when the car wasn't taxed – was a real possibility.

Therefore I'm satisfied that Blue Motor did nothing wrong in respect of its collection of the car or in passing the cost of that collection onto Mr S.

Mr S also submits that Blue Motor has failed to provide a breakdown of the sum it says he now owes it. But I disagree. But for the sake of completeness, and to try and assist Mr S, the sum Blue Motor says he now owes it (of £926.69) can be broken down as follows:

Date	Description	Dr	Cr	Balance	Arrears
Nov 2019				£13,154.38	£nil
Nov 2019	deposit		£1,500.00	£11,654.38	£nil
To May 2022	24 payments of £225.38		£5,409.12	£6,245.26	£nil
June 2022	missed payment			£6,245.26	£225.38
To Sept 2022	3 payments of £300.51		£901.53	£5,343.73	(£0.01)
To Dec 2022	3 payments of £225.38		£676.14	£4,667.59	(£0.01)
Dec 2022	missed payment			£4,667.59	£225.37
Jan 2023	1 payment of £25.00		£25.00	£4,642.59	£200.37
Jan 2023	missed payment			£4,642.59	£425.75
To Mar 2023	1 payment of £225.38		£225.38	£4,417.21	£425.75
Apr 2023	missed payment			£4,417.21	£651.13
Apr 2023	1 payment of £25.00		£25.00	£4,392.21	£626.13
May 2023	1 payment of £225.38		£225.38	£4,166.83	£626.13
To Sep 2023	4 payments of £277.56		£1,110.24	£3,056.59	£417.41
Oct 2023	missed payment			£3,056.59	£642.79
Nov 2023	proceeds from auction		£2,120.20	£936.39	£936.39
	option to purchase fee write back		£10.00	£926.39	£926.39

Following the investigator's view Mr S says he has never been provided with a breakdown of the net sale proceeds of the car.

I think Blue Motor could have provided this information but I'm not persuaded that its decision not to do so warrants, in itself, the making by me of a financial award in Mr S' favour. I say this because I see no reason to doubt that the net sale proceeds Blue Motor says it received for the car's ultimate sale (of £2,120.00) is incorrect. But for the sake of completeness, and to try and assist Mr S, the sum Blue Motor says it received for the ultimate sale of the car can be broken down as follows:

- gross sale proceeds £2,500.00
- collection fee (£193.80)
- auction fee (circa 0.75% of £2,500.00) (£186.00)
- net sale proceeds £2,120.20

Finally on this point I would add that I'm satisfied that a collection fee of £193.80 and an auction fee of £186.00 are fair and reasonable and in line with industry standards.

I note that Mr S appears to be of the understanding that because he agreed to surrender the car to Blue Motor he shouldn't be liable to pay anything further.

But as pointed out by the investigator this would only be the case if Mr S had taken the decision to voluntarily terminate the agreement and return the car with no damage, no excess mileage and no arrears outstanding under the agreement, but this isn't what happened here.

I also note that Mr S appears to be of the understanding that because the agreement has been terminated he isn't liable to pay any further sums due under it. But Mr S is wrong in his understanding on this point. Notwithstanding that the agreement was terminated by Blue Motor and not Mr S, had Mr S terminated the agreement it's not the case that he wouldn't have been liable to pay any further sums due under it. Instead what Mr S would have been liable to pay in these circumstances would have been the total sum still payable under the agreement less a rebate (calculated under the Consumer Credit (Early Settlement) Regulations 2004). I would also point out that when, on 25 September 2023, Mr S signed the necessary paperwork to voluntarily surrender the car he agreed to the following condition:

*"I understand that I will still be responsible for paying any remaining balance on my account with [Blue Motor] in the event that the net proceeds of the sale of the Hired Goods are not sufficient to settle the outstanding balance."*

Finally I appreciate that the letter Mr S received in March 2024 makes reference to the possibility of him keeping the car. But notwithstanding that this is a standard letter and one which Blue Motor had an obligation to issue I'm satisfied that Mr S would have known this wasn't an option open to him.

I appreciate Mr S will be disappointed by my decision but taking everything into account I'm satisfied that in the particular circumstances of this case Blue Motor has done nothing wrong.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 October 2024.

Peter Cook  
**Ombudsman**