

The complaint

Mr C complains that STARTLINE MOTOR FINANCE LIMITED ('Startline') has administered his hire purchase agreement poorly. He says he was contacted several times about arrears that he didn't owe, received communications intended for other people and some of his personal information was sent to an incorrect address. He says that all of this has caused him some distress and inconvenience.

What happened

In March 2018 Mr C entered into a finance agreement with Startline to purchase a used car. This agreement had a five-year (60 months) term. Mr C has complained about how Startline has administered the loan and some communications he received after the loan had ended. There are three main areas of complaint that Mr C has raised.

Complaint issue one:

During the Covid-19 pandemic Mr C and Startline agreed that he could take a three-month payment holiday. This was agreed using the guidance the industry regulator had issued when forbearance was needed due to pandemic related financial difficulties.

The correspondence I've seen about this arrangement shows that Startline couldn't contact Mr C about how to make up these missed payments and so it said he should repay them at the end of the original loan term.

Mr C says he agreed to pay the missed payments on the last working day of each month as it was his payday. However, he says that even though he had reached this agreement with Startline it still sent him communications requiring payment and providing information about the default process if payment wasn't made. This went on for the three months that the loan was extended, and Mr C says he was contacted six times about this during the extended period of the loan. It was fully repaid in July 2023.

Complaint issue two:

After Mr C's loan ended in 2023 Startline added Mr C's mobile phone number to another account. So, for a short period of time, he received text messages intended for another party. Startline removed his phone number from the account relatively quickly when Mr C told it about this, although some scheduled text messages could not be stopped.

Complaint issue three:

Following the receipt of the communications intended for another person Mr C called to make a Data Subject Access Request ('DSAR'). I understand that Mr C did not provide Startline with his current address as he was not a current customer. Startline posted the DSAR information to Mr C's previous address.

Mr C has complained about all of these issues to Startline. It has considered them separately, but I've provided a summary of what it said below:

- In respect of complaint one it doesn't think how it acted in respect of the loan extension was unreasonable. As Mr C was outside of the agreed loan contract terms it wasn't unfair to agree alternative terms and send information about what would happen if Mr C couldn't make the loan repayments.
- In respect of complaint issue two Startline recognised that Mr C receiving text messages intended for another customer was an error on its part and would be stressful for Mr C. It offered £100 as a gesture of goodwill.
- It recognised that, whilst it sent the DSAR information to the address it had for Mr C this wasn't right. That said, it wasn't persuaded it was entirely at fault for this, but it thought that a further £100 compensation as a gesture of goodwill, was appropriate.

Mr C didn't agree with this and brought his complaint to the Financial Ombudsman Service. One of our Investigators didn't uphold the complaint. She issued two assessments about the complaint, which said that, in summary:

- It was Startline's policy to send out messages when a loan was not paid in line with the original contract, and it wasn't unreasonable that it had done this here.
- It did send information to Mr C about another customer's loan. But £100 was enough compensation for any distress this may have caused.
- When Mr C called to request a DSAR he confirmed his old address, but he didn't inform Startline that he had changed address. And it wasn't unreasonable to send the DSAR information by post. So, again, £100 was enough compensation for this.

Mr C doesn't agree and there was some further correspondence in which he said that:

- At the end of the loan, he wasn't late with his payments. So, there was no need for Startline to send the warnings it did, and he had asked for these not to be sent. This was unreasonable and harassment and it has caused significant distress.
- When he requested the DSAR he was no longer a customer of Startline and he didn't feel the need to update his address. Startline failed to notify him that they would send the DSAR using the postal service and it didn't check the address it had. This was negligence on their part and a significant amount of personal information was sent to a third party.
- £200 fails to take into account the breach of GDPR and the harassment. This was a fraught time for him personally as he was going through a re-mortgage to comply with a court order.

As no agreement was reached the complaint has been passed to me to consider.

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.

Regarding complaint one. As I said above Mr C extended his loan under the regulator's Covid-19 forbearance scheme. I've seen some of the correspondence about how this was agreed, and it seems that the extension was put in place as Startline had problems contacting Mr C about how to repay these amounts. And this correspondence confirms that Startline may contact Mr C periodically to ensure he was up to date with the payments, and it was required by law to send certain letters.

Startline also informed Mr C that a direct debit couldn't be used to repay a loan outside of the terms of the original loan agreement. The loan had ended and so Mr C was paying these deferred amounts manually.

Startline sent Mr C some communications which concerned the consequences of not repaying the loan. I appreciate he feels that Startline shouldn't have had to do this as he was repaying the loan on time. But Mr C hadn't paid the loan within the originally agreed term. So, I don't think the communications that he was sent were necessarily wrong as they did point out that he needed to pay these amounts and not doing so could lead to a default. And I note that Startline did agree to suppress these communications after Mr C had complained.

But, overall, I don't think it did anything wrong here. So, I'm not upholding Mr C's complaint about the communications he was sent when his loan ended.

Regarding complaint two. Startline did send Mr C some information intended for another party as it had added his mobile phone number to another customer's account. This was clearly a mistake on its part.

I can see this could have been upsetting for Mr C. But he was informed about the mistake quickly. And whilst Mr C did receive information he shouldn't have, his own information wasn't provided to a third party due to this mistake. So, there wasn't a breach of his data. Given this, I think the £100 compensation that Startline has offered is reasonable compensation for this mistake.

Regarding complaint three. Mr C contacted Startline to request a DSAR. Startline says that in the phone call he was asked to confirm his address for data security purposes, and he did do this. However, he was no longer living at this address. He didn't inform Startline of his new address as he says he was no longer a customer. He says Startline didn't inform him that it would post the DSAR information.

My role here is to determine if Startline has made any mistakes. Startline said it did not issue the DSAR by email as it said this could not be secure. And that Mr C had confirmed his address as part of the oral data protection questions asked when he spoke to it.

I think it is reasonable for Startline to send the DSAR information using the postal service as it can be more secure. And it sent this to the address that Mr C had provided and confirmed was his. Startline had no way of knowing that Mr C no longer lived there, and I don't think it needed to ask any further questions about this.

So, and whilst I recognise that his information was potentially sent to a third party, I'm not persuaded that it could have prevented this, given the information that it had. So, I think the £100 Startline has offered for this part of Mr C's complaint is reasonable.

My final decision

STARTLINE MOTOR FINANCE LIMITED has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that STARTLINE MOTOR FINANCE LIMITED should pay £200. If it has already paid this, it doesn't need to pay it again.

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

Andy Burlinson
Ombudsman