

The complaint

Miss M complains that Go Car Credit Limited (GCC) removed a joint account holder from a hire purchase agreement and are asking her to repay the full sum due under the agreement.

What happened

In August 2022 Miss M entered a hire purchase agreement with a joint party for a used car financed by GCC.

In September 2023 Miss M complained to GCC that the joint party had been removed from the agreement, and that she was being asked to pay the outstanding balance and monthly payments. Miss M also complained about some issues she'd had with the car.

GCC sent Miss M their final response to her complaint in September 2023. They said they hadn't seen any evidence that the car was faulty, and they couldn't disclose why the joint party had been removed from the agreement.

Unhappy with their response, Miss M brought her complaint to this service for investigation. She said she had agreed to continue to pay for her half of the agreement, and GCC were being unreasonable in holding her responsible for the full value of the agreement and had removed the joint party unfairly. Miss M said the vehicle had been repaired and didn't raise any further concerns about its quality.

Our investigator gave his view that GCC acted reasonably in removing the joint party from the agreement, that the agreement allowed them to pursue Miss M for the outstanding balance of the agreement, and that she had possession of and therefore use of the vehicle, so he didn't ask GCC to do anything more.

Miss M didn't agree, she said she can't afford to repay the entire amount due under the agreement.

As an agreement can't be reached, the case has been passed to me for a 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 what's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it.

Miss M said that GCC shouldn't have removed the joint party from the agreement, and she can't afford it on her own. I've considered the removal of the joint party, and I haven't seen any evidence that their removal from the agreement was an unreasonable action for GCC to take.

The agreement between Miss M and GCC states the following under section 12, general conditions:

“c) if more than one of you are named as the customer, you are each jointly and individually responsible for meeting your responsibilities under this agreement.”

The agreement sets out that the repayment terms are 48 monthly repayments of £329.06 along with an administration fee and an option to purchase fee. So, whilst Miss M agreed to split these payments with the joint account holder, I'm satisfied that the agreement allows GCC to hold one party only responsible for the full payment, and that they're under no obligation to accept a payment less than the amount set out in the repayment section of the agreement.

Miss M is in possession of the car, and so she has had the benefit of the goods under the agreement, so I'm satisfied that GCC have acted reasonably in pursuing her for the arrears and continuing payments due under the agreement.

I understand that Miss M has explained that she can't afford the agreement on her own. GCC have a responsibility to treat consumers experiencing financial difficulty with forbearance and due consideration, which may include payment plans for the payment of arrears, or options to exit the agreement altogether. Miss M may wish to discuss her options with GCC to find a way forward.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 1 July 2024.

Zoe Merriman
Ombudsman