

The complaint

Mr T complains about Black Horse Limited's response to the arrears on the hire purchase agreement under which a car had been supplied to him.

What happened

A new car was supplied to Mr T under a hire purchase agreement with Black Horse that he electronically signed in June 2019. The price of the car was £62,300, Mr T paid a deposit of £13,500 and he agreed to make 60 monthly payments of £916.30 to Black Horse. He says that, due to a change in circumstances in 2023, it became difficult for him to afford those monthly payments and his account went into arrears. He says that he tried to agree a payment plan with Black Horse but they hadn't been able to come to an agreement.

Mr T complained to Black Horse in December 2023 but it didn't uphold his complaint. It said that his agreement was in arrears of £1,832.60 and it had followed the correct process in contacting him to discuss the arrears. It apologised if that had caused him any distress and said that it had stopped any contact being made to him by phone. Mr T wasn't satisfied with its response so complained to this service.

His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She was satisfied that Black Horse had met its obligations as a lender, acted fairly and reasonably and demonstrated forbearance and responsible lending practices.

Mr T didn't accept the investigator's recommendation and has asked for his complaint to be considered by an ombudsman. He says that he's very firmly of the view that Black Horse hasn't been reasonable, but that he has no further evidence to add.

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.

Mr T had agreed to make 60 monthly payments of £916.30 to Black Horse. He says that a side business failed early in 2023 and he incurred a lot of personal expenses in shutting that business down, so it became difficult for him to afford his monthly repayments and he fell behind with them. Black Horse says that his account was £1,832.60 in arrears in December 2023.

Black Horse says that it phoned Mr T in December 2023 to discuss the arrears and his options going forward as there was no payment plan in place. It says that it didn't have an up-to-date income and expenditure assessment for Mr T. Mr T says that he provided an income and expenditure assessment in full on Black Horse's website. Black Horse says that its system records show that an income and expenditure assessment was conducted in November 2023 but Mr T was due to contact it again, with additional information to complete the assessment, but didn't do so.

Mr T says that Black Horse wanted to go through the assessment line by line on the phone in a call that lasted more than 45 minutes before he gave up out of frustration. He says that he doesn't believe that it actually wanted to establish a payment plan as it seems to make it so onerous to do so that it could never be satisfied.

Black Horse says that Mr T advised it that he was unhappy with having to complete an income and expenditure assessment as he deemed it to be unnecessary and expressed his dissatisfaction with being contacted and requested for that contact to be stopped. Black Horse says that it apologised if the contact had caused Mr T any distress and said that it had stopped any contact being made to him by phone.

It's clear that Mr T feels that Black Horse didn't need so much information from him, the process was too time consuming and it wasn't acting reasonably, but his account was in arrears and I consider that it was fair and reasonable for Black Horse to ask Mr T to provide information about his income and expenditure so that it could understand his financial situation and what was affordable for him. I'm not persuaded that there's enough evidence to show that Black Horse has acted incorrectly in its dealings with Mr T about the arrears on his account.

Black Horse provided a statement for Mr T's account earlier this month which shows there's an outstanding balance of £900. It says that its external agents visited Mr T in February 2025 but he declined to speak to them and it's had no contact with him since it spoke to him in November 2024 when he again declined to complete an income and expenditure assessment.

Mr T says that his preferred solution was a two month payment holiday or the arrears being spread over the remaining period of the agreement without any further affordability analysis. I don't consider that it would be fair or reasonable for me to require Black Horse to agree to either of those outcomes without Mr T providing the information about his income and expenditure that it has requested. I find that it wouldn't be fair or reasonable in these circumstances for me to require Black Horse to take any further action in response to Mr T's complaint.

My final decision

My decision is that I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 24 April 2025.

Jarrold Hastings
Ombudsman