

## **The complaint**

Mr M complains Credit Style Limited (CSL) made errors when collecting an outstanding debt for his car finance which led to him losing his right to voluntarily terminate (VT) the agreement. Mr M's also unhappy with CSL's customer service.

## **What happened**

Mr M has a car finance agreement with a company I'll refer to as A. They asked CSL to make contact with Mr M due to arrears that'd built up on his account.

As I understand it, Mr M called CSL on 8 April 2024 to discuss his repayment options following a change in his employment. And, at the end of the call, it was agreed CSL would call him once they'd heard back from A about his query. But the agent didn't call Mr M back.

During this time, Mr M received notification his finance agreement had been defaulted, which meant he could no longer VT and he wasn't happy about this. Mr M blamed CSL for this as they didn't call him back to agree his repayment proposal.

CSL accepted they didn't call Mr M back as they'd said they would. In the complaint response, CSL said sorry for this error, and that they'd contacted A to see if the default notice could be removed.

Mr M chased CSL for a reply, and ultimately unhappy with their response, asked us to look into things.

One of our Investigators did so. He found Mr M's Default Notice didn't remove his right to VT and return the vehicle – but did think CSL's customer service could have been better and awarded £100 compensation.

CSL didn't reply to this, but Mr M did saying he didn't accept this. So, the complaint's been passed to me to decide.

## **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 the call on 8 April 2024 Mr M put forward a payment proposal and was told he'd hear back from CSL once they'd heard back from A. Unfortunately, the evidence I have to date suggests A didn't reply until 16 August 2024. I can't hold CSL responsible for A not replying, but I can hold them responsible for not proactively following up with A to get Mr M an answer earlier.

I can't say for certain if CSL had done so that would have prevented A from sending the Default Notice Mr M received – but it could have.

This Default Notice was dated 16 April 2024. The notice asked Mr M to make a payment of £978.12 before 5 May 2024. The notice went on to say if Mr M didn't do this, then A may terminate the agreement and require the return of the vehicle – amongst other things.

So, I think it's relatively clear Mr M hadn't, at this point, lost his VT rights which was the basis of his concerns. I can understand why this notice would have come as an unpleasant surprise to Mr M, because he was expecting to hear back from CSL within a few days of 8 April 2024 – but equally this notice doesn't say what Mr M thought it did.

At this point then, Mr M was able to VT as he wanted to. And it was confirmed by A on 16 August 2024 Mr M could still VT because the error in communications regarding payments wasn't his fault. The information I have shows CSL tried to reach Mr M eight times using text, leaving voicemails and by writing to him, between 16 August 2024 and 9 September 2024 before they were able to make contact the following day. In this contact, CSL ultimately emailed Mr M confirming A had told them he could still VT and return the vehicle.

The only contact I can see between CSL and Mr M following this relates to his complaint. But, as of 10 September 2024 I'm satisfied Mr M had been told the correct information. On 16 December 2024 A sent another letter – this time saying Mr M's VT rights had been removed because they'd now terminated the agreement.

It's unclear why, in the three months that'd passed, Mr M's car hadn't been returned under his VT rights as he wanted. But Mr M told our service and CSL about the new letter from A at the same time – 18 December 2024 at 6.40pm. CSL replied the following morning, saying this was wrong and they'd get it sorted. By 9.45am on 19 December 2024 – the next day and probably around two working hours later – they'd confirmed with A there was still a VT option as Mr M wanted.

From the evidence I have, Mr M's VT rights weren't ever taken away because of CSL's actions, so I don't think they've done anything wrong on this point. But, I do think CSL should have provided Mr A with better customer service when he first raised his concerns – and for that I'm satisfied £100 compensation is fair to reflect the distress he was caused.

### **My final decision**

I partially uphold this complaint and require Credit Style Limited to pay Mr M £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 March 2025.

Jon Pearce  
**Ombudsman**