

The complaint

Mr W has complained that Zopa Bank Limited defaulted his account, and sought to repossess his car.

What happened

In November 2023, Mr W entered into a finance agreement with Zopa for a used car. He then experienced financial difficulties, and missed the June and July 2024 repayments. Mr W discussed the account with Zopa in August 2024. He was given some breathing space, and he also made that month's repayment.

On 2 September 2024, Zopa placed another short-term hold on the account and sent Mr W an income and expenditure (I&E) form. Once Zopa received the form back, it could consider the possibility of a repayment plan. But it didn't receive the I&E form back, and sent a default notice on 19 September 2024. It then spoke to him the following day, and resent the I&E form, but it wasn't returned.

Zopa emailed Mr W on 4 October 2024. This explained that the October payment would need to be made, to avoid a potential account default. It also said a plan for the arrears would then need to be put into place. The October payment was made, but no further contact was received.

Zopa then sent another default notice on 13 October 2024, asking for the arrears to be cleared by 1 November 2024. Mr W next sent Zopa a message on 1 November 2024 – asking what a reasonable repayment option looked like for his arrears balance. He then spoke to Zopa about this on 6 November. On 7 November, it messaged him to say if the account defaulted, contractual payments would no longer be required – but the car could then be repossessed. He was told that his next monthly payment was due on 8 November 2024 – and if this failed, the account would be eligible for default.

Mr W replied, asking for the I&E form to be resent. The payment due on 8 November 2024 was not made. Zopa then sent a third default notice on 12 November 2024. This requested payment of the arrears by 1 December 2024, or the account would be defaulted. This could be prevented by making a payment of £238.52 by 29 November 2024. If this payment was made, Zopa could then look at setting up a plan for the remaining balance.

Mr W asked Zopa for the I&E form again on 14 November 2024. However, he made no payment in November or December. And Zopa tried to call him multiple times, but the calls weren't answered.

The account was then defaulted on 12 December 2024, and Zopa said it would seek to repossess the car.

Mr W felt this was unfair.

One of our investigators looked into what had happened. But he thought Zopa had provided reasonable engagement, support, and forbearance before finally defaulting the account.

Mr W disagreed. He explained he'd not been able to open the I&E form, and Zopa hadn't sent it in a different format.

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'm not upholding it. I know this will be very disappointing, but I'll explain why.

It's clear to me from the account history that Zopa offered support over a number of months. This included offering potential payment solutions. It's unclear to me why Mr W couldn't open the I&E form. But, given the gravity of the situation, I think he could have called to discuss his finances – as he later did, but by then it was too late. And there were steps Mr W was told he could take to prevent the account defaulting (aside from the I&E form), but he didn't take them. For example, he could have made a payment on 29 November. And it also seems he stopped taking calls from Zopa.

I am sorry Mr W is in the position he's in, and I understand it must be very difficult. But I don't think it was unfair for Zopa to default the account when it did, as significant arrears were continuing to accrue.

My final decision

It's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 June 2025.

Elspeth Wood
Ombudsman