

The complaint

Mr M complains that Zenauto Limited terminated his finance agreement and repossessed his car.

What happened

In June 2022 Mr M entered into a hire agreement with Zenauto to hire a new car. Under this he paid a deposit of £3,000 and this was to be followed by 47 payments of £469. Mr M made payments until September 2024 and his account then fell into arrears. After that his payments became irregular and on 6 March 2025, Zenauto sent a notice of default to Mr M as he was in arrears on his instalments for December 2024, January 2025 and February 2025.

Mr M made payments on 3 March 2025, 24 March 2025 and 2 April 2025. These payments were allocated to his March 2025 invoice, December 2024 invoice and his April 2025 invoice. A termination notice was sent on 25 March 2025 and the agreement was subsequently terminated on 11 April 2025 and shortly after this the car was repossessed. Zenauto then sent Mr M notice of the outstanding balance due of £5,376.57 to cover the sum due under the contract plus excess mileage and inspection charges.

Mr M complained and Zenauto said it had acted correctly and suggested Mr M contact its Financial Assistance team to discuss a payment plan.

Mr M brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. He noted Zenauto had tried to contact Mr M so it could address the situation, but it was unable to make contact. He thought Zenauto had followed the required process and had not done anything wrong. Mr M didn't agree and said the notice had told him he owed £1,407 and this is what he had paid. He also felt the sum sought by Zenauto was disproportionate.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr M that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I have every sympathy with Mr M, but I do not consider I can uphold his complaint. I will explain why.

When Zenauto wrote to Mr M on 6 March 2024 it said:

“3. Action required to remedy breach:

Payment of the arrears of £1407.00 before the 24/03/2025 or contacting us to put a payment plan in place.

If the action required by this notice is taken before the date shown, the action below will not be taken in respect of the breach.”

“5. Action intended to be taken by ZenAuto

If you do not remedy the breach of the Agreement by making a payment or contacting us if you experiencing financial difficulty by the date shown, ZenAuto, on expiry of the date specified in paragraph 3 will do the following:

- we shall terminate the Agreement when you will no longer have our consent to be in possession of the Vehicle which is the subject of the Agreement;*
- you must deliver the Vehicle to us, failing which we shall recover it from you;*
- you will be required to pay £4596.20 such sum as we advise you in writing being the sum due on the termination of the Agreement.”*

This made it clear that the arrears had to be paid before 24 March. They were not and Mr M did not make contact with Zenauto. I have noted that between 14 February 2025 and 25 March 2025 Zenauto called him four times but got no answer. It also sent him emails on 6 March, 25 March and 11 April. This was in addition to the notice of sums in arrear, the default notice, the pre-termination letter and the termination letter.

I appreciate Mr M sought to catch up with his arrears and made two payments by the deadline and one after it covering the sum of £1,407. However, this did not bring him up to date as the January and February payments remained outstanding. I recognise that he presumed since he had paid £1,407 which was the sum on the default notice that he was ok. However, he remained in arrears and did not speak to Zenauto to ensure his account was in order. The 6 March letter asks him in two separate paragraphs to make contact and Zenauto set out with sufficient clarity what would happen if he did not clear his arrears.

I can appreciate Mr M's frustration and why he thought he had paid the outstanding sums, but he had not taken account of the ongoing payments. However, I cannot say that Zenauto did anything wrong. That said, I would remind Zenauto of its responsibility under Consumer Duty to treat customers fairly in assisting Mr M address his arrears.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 December 2025.

Ivor Graham
Ombudsman