

## **The complaint**

Mr J complains that Startline Motor Finance Limited (Startline) incorrectly applied partial early settlement (pes) payments he made to his account causing him financial loss and considerable distress and inconvenience . He would like this situation resolved.

## **What happened**

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on the reasons for my 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.

Having done so I have reached the following conclusions:-

- I appreciate it is frustrating for consumers when issues arise on their accounts. Mr J has told us 2 pes payments he made were wrongly processed leading to overpayments on his account and to delays in reducing his ongoing monthly repayments. He has told us as a result of the stress and time dealing with this he missed important exam deadlines.
- Startline has explained that when pes payments are made, future repayments are subsequently reduced manually. However, it needs at least 10 working days to process such payments and to amend future repayments.
- Mr J made a pes payment on December 23 2024 however his monthly repayment date was 29 December 2024 so, Startline didn't have the minimum 10 days' notice it needed to amend repayments from January 2025. As a result Mr J's repayments were amended from February 2025. I have seen a statement confirming this.
- The same issue seems to have arisen in May 2025. Mr J made a pes payment on 27 May 2025 2 days before that month's repayment was due. This was too late to amend his repayments from June 2025, so Mr J's repayments were subsequently changed in July 2025.
- I appreciate that, as a result of the timings of his payments, there was a delay in Mr J getting the benefit of reduced payments of one month for each of the two pes payments he made. I have seen a letter Startline sent to Mr J dated 3 December 2024. This states what his revised repayments would be if he made the pes payment he proposed to make . It also confirmed that on this basis his monthly repayments would reduce from January 2025
- However the letter also states that to do this Mr J needed to make the pes payment at least 10 working days before his next payment was due, ie his December 2024 repayment. So it was clear that to reduce his repayments from January he needed to

make the pes payment at least 10 working days before his December payment was made but didn't do so.

- Even if Mr J misunderstood this letter he would have realised his mistake when his repayments didn't change in January 2025 as he expected. So I am surprised he went ahead and made the same mistake in May 2025.
- The issue seems to me to be that Mr J understood he had to make a pes payment at least 10 days prior to the following months repayment being due. What he actually needed to do was to make the pes payment at least 10 days prior to the next actual payment being due.
- From what I have seen Startline has correctly followed its process for reducing future monthly repayments when Mr J made his pes payments .
- I appreciate Mr J has found this situation stressful. When issues arise it can be stressful and inconvenient for all parties concerned. However that doesn't automatically mean that some redress is due. He has told us that, as a result of dealing with this matter, he missed important exams. He hasn't evidenced this so I can't be sure if this was the case. However as I haven't found Startline to be at fault I can't reasonably ask it to compensate Mr J in some way for this.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 November 2025.

Bridget Makins  
**Ombudsman**