

## **The complaint**

Mr S complains that a hire purchase agreement with Go Car Credit Limited was unaffordable for him and about other issues relating to the agreement.

## **What happened**

A used car was supplied to Mr S under a hire purchase agreement with Go Car Credit that he electronically signed in January 2020. The price of the car was £5,950, Mr S made an advance payment of £200 and he agreed to make 48 monthly payments of £239.80 to Go Car Credit. Mr S voluntarily terminated the hire purchase agreement in August 2021 and he complained to Moneybarn in July 2025 that the agreement was unaffordable and about other issues relating to the agreement.

It said that it took reasonable and proportionate steps to issue Mr S with a loan that was affordable and sustainable for him to repay based on a reasonable creditworthiness and affordability assessment. It also said that it didn't believe that it would have been aware of a reason to decline his application based on the points that he'd raised, but it upheld his complaint about not receiving a response to his email to discuss his voluntary termination request. Mr S wasn't satisfied with its response, so he referred his complaint to this service. He says that he's raised a complaint about the way that the agreement was handled, particularly around affordability, vulnerability and the way car collection was managed.

Mr S's complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She thought that Go Car Credit carried out reasonable and proportionate checks which showed that the agreement appeared affordable, so she couldn't say that it acted unfairly in approving the agreement. She also said that she hadn't seen any evidence which suggested that Go Car Credit didn't support Mr S appropriately throughout the agreement or with the voluntary termination.

Mr S requested that his complaint be referred to an ombudsman for a final decision. He disagreed with the investigator's recommendation because: his vulnerability was ignored; the income assessment was incorrect and the lending was irresponsible; there was an unfair delay in collection of the car; and his complaint has been handled inconsistently.

## **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 S applied to Go Car Credit for credit to pay for a car to be supplied to him in January 2020 and he provided information about his expenditure. Go Car Credit says that his monthly income was validated as £2,433.87 using wage slips that he'd provided. Go Car Credit made a search of Mr S's credit file and conducted an affordability assessment.

Go Car Credit was required to make reasonable and proportionate checks to ensure that any

credit to be provided to Mr S was sustainably affordable for him before entering into the hire purchase agreement. Go Car Credit had validated Mr S's income using wage slips, it had looked at his credit file and it had conducted an affordability assessment. I consider that those were reasonable and proportionate checks in the circumstances of the credit for which Mr S had applied. I don't consider that Go Car Credit was required to obtain a more detailed understanding of Mr S's financial situation before providing the credit to him.

Go Car Credit says that its search of Mr S's credit file showed that he had six active accounts that were well maintained and up to date, apart from a mail order account which was a payment down and he had two accounts that had defaulted, but which were marked as satisfied. It says that Mr S's application met its lending criteria and I don't consider that the information on Mr S's credit file should have prevented Go Car Credit from providing him with credit to pay for a car to be supplied to him.

Go Car Credit included in its affordability assessment the expenditure that Mr S had provided which showed that his monthly expenditure was £944.78 and it applied a buffer of £300. It says that Mr S's monthly disposable income was £1,189.09, so the hire purchase agreement was affordable for him. I consider that it was fair and reasonable for Go Car Credit to have concluded, based on the reasonable and proportionate checks that it had made, that a hire purchase agreement with a monthly payment of £239.80 was likely to be sustainably affordable for Mr S at that time. I consider that Go Car Credit made a fair lending decision and I'm not persuaded that it provided the credit to Mr S irresponsibly.

Mr S says that the APR on the hire purchase agreement was excessive. Mr S applied to Go Car Credit for credit to pay for a car to be supplied to him and he accepted the terms that it offered to him. Mr S electronically signed the hire purchase agreement and agreed to the terms that it contained. The agreement clearly showed the amount of credit, the total charge for credit, the total amount payable, the APR and the number and amount of the monthly payments. The APR was high, but Go Car Credit is a sub-prime lender and specialises in offering credit to consumers who may have some adverse credit history, so there is an increased risk to it and it charges a higher interest rate because of that. I'm not persuaded that the interest rate was excessive or that Go Car Credit acted incorrectly in charging that interest rate.

Mr S says that Go Car Credit was aware of his financial and personal difficulties because he provided it with a debt charity's action plan in April 2020, so it should have alerted it to his vulnerability and financial distress. He also says that at the time of voluntary termination, he was drinking heavily, taking sleeping medication, and not in a fit state to make sound financial decisions or give informed consent.

The investigator described what was shown in Go Car Credit's notes for Mr S's account. Go Car Credit became aware of Mr S's financial difficulties in March 2020, less than three months after he'd entered into the hire purchase agreement, but I'm not persuaded that it over-estimated his disposable income or approved finance that wasn't affordable for him at the time that he entered into the hire purchase agreement.

Go Car Credit says that Mr S's agreement fell into arrears due to changes in his employment caused by the government imposed restrictions in response to the pandemic and it offered payment arrangements to support him and he then voluntarily terminated the agreement in August 2021. I consider that Go Car Credit responded to Mr S's financial difficulties positively and sympathetically, as it was required to do, and I'm not persuaded that it was required to do any more to support him in these circumstances, given the information that he gave to it. I've seen no evidence to show that Mr S told Go Car Credit about his vulnerability until he was voluntarily terminating the hire purchase agreement. I'm not persuaded that there's enough evidence to show that it was aware, or ought reasonably to have been aware

of his vulnerability before then, that it should have done more to support him, or that it acted incorrectly in connection with the voluntary termination of the agreement.

Mr S says that the delay in collecting the car was caused by Go Car Credit and that the car sat uncollected for almost two months, and only then did the battery go flat. The car was collected in October 2021, but Mr S didn't complain to Go Car Credit until July 2025. The investigator described what the notes for Mr S's account show about the collection of the car, and I'm not persuaded that there's enough evidence to show that Go Car Credit unnecessarily delayed the collection of the car.

Mr S has also complained about Go Car Credit's inconsistent complaint handling. Complaint handling isn't a regulated activity and the rules under which this service operates don't allow me to consider a complaint about complaint handling. The investigator thought that Go Car Credit's responses to Mr S's complaint were fair and the level of service was as she'd expect in these circumstances. Without making any finding on that issue, I agree with what the investigator has said about Go Car Credit's responses to Mr S's complaint.

I've also considered whether Go Car Credit acted unfairly or unreasonably in some other way, including whether its relationship with Mr S might have been unfair under section 140A of the Consumer Credit Act 1974. Having done so, I've not seen anything that makes me think that that was likely to have been the case.

I've carefully considered all that Mr S has said and provided about his complaint, but I don't consider that Go Car Credit did anything wrong when it provided the credit to him or in its dealings with him about the hire purchase agreement. I know that this isn't the outcome that Mr S hoped for, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Go Car Credit to take any action in response to his complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 March 2026.

Jarrold Hastings  
**Ombudsman**