

The complaint

Mrs C complains about the way in which Zopa Bank Limited acted when she was having difficulty making hire purchase payments.

Mrs C has been represented by a relative, so, when I refer to her submissions, I include those made on her behalf.

What happened

In November 2022 Mrs C and Zopa entered into a five-year hire purchase agreement for a used car. Under the terms of the agreement, Mrs C was to pay a deposit of £6,000, followed by 60 monthly payments of £543.23.

From around the middle of 2024 Mrs C found it difficult to make the monthly payments when they fell due. She has explained that she had to pay for emergency repairs on her and her husband's home. Zopa's records show that payments in June, July and September 2024 were missed but paid later in the month, the August and November payments were missed, and only small *ad hoc* payments were made in October 2024.

On 11 November 2024 Zopa sent a formal demand requesting payment of the full balance due (a little over £19,000) and terminating the hire purchase agreement.

Mrs C contacted Zopa to complain and to make it aware of the effect its actions were having on her. She said the situation had affected her mental health and her work. She could, for example, use the car to attend an important work conference.

On 24 November 2024 Mrs C made the monthly payment due for November 2024 and on 27 November 2024 she made a payment of over £1,600 – enough to clear the arrears on the account. Mrs C has explained that she was able to borrow that money from a relative. On receipt of that payment Zopa agreed to withdraw the demand and termination notice and to reinstate the hire purchase agreement. In doing so, it expressly said that it did not accept it had done anything wrong.

Mrs C complained about what had happened, first to Zopa and then to this service. Our investigator did not however recommend that her complaint be upheld. She concluded that Zopa had been within its rights to issue default notices and to end the hire purchase agreement. And it had acted positively by agreeing to reinstate the agreement and to remove the default from Mrs C's credit file when the arrears were cleared.

Mrs C did not accept the investigator's assessment and asked that an ombudsman review the case.

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, however, I have reached the same overall conclusion as the investigator did, and for similar reasons.

I do have some sympathy for Mrs C. Due to circumstances beyond her control, she found herself in a position where she was unable to make monthly payments as and when they fell due. It's clear too that she did what she could to cover the missed payments. And she has clearly been badly affected by the situation, both emotionally and professionally.

That said, the hire purchase agreement was very clear that payments had to be made on the day they fell due and there could be serious consequences if they were not. That is quite normal in motor finance, where credit is provided to pay for a depreciating asset. We do expect lenders to respond to financial difficulties in a positive and sympathetic way, but that does not necessarily mean agreeing to every proposal put forward by a borrower. And in any event, I am satisfied Zopa did that here, in particular by agreeing to reinstate the hire purchase when the arrears were paid and by removing the default from Mrs C's credit file.

In conclusion, therefore, I recognise the effect Zopa's actions have had on Mrs C, but, since I do not believe it acted unfairly, I cannot properly make an award in respect of that.

My final decision

For these reasons, my final decision is that I do not uphold Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 26 December 2025.

Mike Ingram
Ombudsman