

The complaint

Mr Y has complained about the sale of his car at auction by Blue Motor Finance Ltd ('BMF'), and the service he's received.

Mr Y's been represented in bringing his complaint. I'll call his representative, Ms X.

What happened

Mr Y entered into a car finance agreement with BMF on 28 May 2022. However, on 23 March 2024, the car was left at a service station when Mr Y was arrested, and was impounded. Ms X then contacted BMF, to say she was going to sell the car privately on Mr Y's behalf, and a price of £14,500 had been agreed.

Ms X then explained that when she arranged for the car to be collected from the pound, she discovered BMF had already collected it and intended to sell it at auction. It told her she'd now not be able to sell the car privately, and BMF would require payment of the balance, plus transport and impound fees.

BMF also sent a number of arrears and default notices, culminating in a default notice dated 4 April 2025, which confirmed the remaining balance was £9,291.14 after a reduction of £4,215.20 for the sale proceeds from the auction.

Ms X feels that, despite her attempts to resolve things, BMF didn't properly communicate with her, lacked empathy, discriminated against Mr Y, and sold the car at too low a price.

One of our investigators looked into what had happened. He referred to a call between Ms X and BMF on 16 July 2024. On this call, BMF said it had collected the car from the pound on 9 July 2024, because the Police said it would be crushed otherwise. BMF also said that as the car had been seized, if Ms X wanted it back (on behalf of Mr Y), then she'd need to pay the full balance by 29 July 2024. If this wasn't possible, the car would be sold at auction. BMF also asked Ms X to arrange for it to be sent the car key, as the sale value would be affected without that and the V5.

Our investigator thought it was fair that BMF had collected the car, given it had been advised its asset would be crushed. And although Ms X had wanted to negotiate the outstanding balance, BMF had advised it wouldn't agree to the terms Ms X had set out.

He also thought it fair that the car had been sold at auction, given that the balance wasn't paid. Although he appreciated that Ms X said she could sell the car privately and had a buyer, this was only a verbal agreement and the final price would've been agreed on the buyer viewing the car. But, even if there was a confirmed sale, this would've needed to be completed prior to BMF recovering the car in line with the agreement terms. He was also satisfied that BMF had made it clear the car's value at auction would be affected if it was sold without the key/V5, but Ms X had not returned them.

Our investigator also considered the customer service received, but couldn't find evidence of unfairness or discrimination. He was also satisfied that Ms X had been put in touch with the

appropriate department within BMF, in order to answer her queries.

Finally, he could see that Ms X felt the APR attached to the finance was too high, but he was satisfied it was set out clearly in the agreement.

Ms X asked that the complaint be passed to an ombudsman.

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.

First, I would like to thank Ms X for her detailed submissions. It's very clear she's put significant effort into trying to resolve matters for Mr Y, both with BMF and our service. And I'm sure this has been time-consuming, stressful and upsetting. And, I'd also like to assure her, and Mr Y, that his personal circumstances have had no bearing whatsoever on my decision.

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

I'm satisfied that it was appropriate for BMF to collect the car, given that it was its asset, and the Police had advised it would be crushed. And, given that the car had been seized, it was fair for it to require the balance to be paid, if Ms X wanted to have the car back. As this didn't happen, it was sold at auction. This is standard in such situations, and I don't think it shows a lack of empathy. Further, it's unclear what price Ms X may actually have achieved for the car.

I'm also satisfied that Ms X was made aware that she needed to return the V5/key, or the sale value would be affected. Although she may not have remembered this, I'm satisfied BMF made her reasonably aware, and that it would be reasonable to expect this to be the case.

I can see that BMF didn't agree to Ms X's suggestion regarding negotiation. But I think it was entitled to reject her terms, and this was down to its commercial discretion.

I've reviewed all of the communication on file, but haven't found evidence of poor customer service or discrimination. BMF took reasonable steps to protect its asset, and kept Ms X updated. It also put her in touch with its department which was able to deal with her queries.

Finally, as regards the interest rate, I'm satisfied it was set out clearly in the agreement, which Mr Y chose to enter into.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 14 January 2026.

Elspeth Wood
Ombudsman