

## **The complaint**

Ms C complains about issues with the management of a finance agreement she has with STARTLINE MOTOR FINANCE LIMITED (Startline).

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Ms C took receipt of a car in September 2024. She financed the deal through a hire purchase agreement with Startline. She subsequently complained to them that:

- She was pressured into signing the agreement.
- She hadn't been made aware of the interest rate or early repayment charges.
- Startline had reported adverse information to her credit file that had an impact on her mortgage application.
- That their settlement breakdown was unclear.
- That the new monthly payments after partial settlement were incorrect.
- That Startline didn't provide a partial settlement quote when asked.
- That Startline told her the account had been defaulted and terminated.

Startline rejected the complaint saying that interest rate and early settlement charges were in the agreement. They did accept they delayed applying the Partial Early Settlement (PES) and that resulted in an automated termination message being sent and default correspondence. They also accepted that they provided inaccurate/incomplete arrears information after the PES.

Ms C remained dissatisfied and referred her complaint to this service. Our investigator agreed with some of what Ms C had said and she suggested to put things right Startline should pay an additional £68.35 for the loss of rebated interest resulting from the delayed application of the PES payment and that they should provide Ms C with a breakdown of the settlement figure.

Ms C disagreed and asked for a final decision by 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.

I agree with the investigator's view of this complaint and for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on

board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I note that Ms C has raised some additional complaint points since referring her complaint to this service. Our investigator explained the scope of our enquiry to Ms C in an email sent on 8 December 2025. I'll therefore limit my considerations accordingly.

Ms C acquired her car under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

Ms C signed the agreement electronically and it explained she had been given a written explanation of the credit product and an opportunity to ask questions. It also confirmed the interest rate (19.88%) and APR (21.8%), and that early repayment charges applied.

Given this, I don't agree that Startline failed to provide the agreement or make her aware of the interest rate. While Ms C feels the rate was high, she knew the terms before signing and could have declined. I've seen no evidence Startline applied interest outside the agreed terms. The finance agreement didn't explain how any rebate of interest would be calculated if the agreement was settled early. I'm satisfied the agreement made clear to Ms C that she had a right to settle the agreement early and that, if she did so, an appropriate rebate of future interest would be applied. The method for calculating that rebate isn't a matter of contractual choice but is prescribed by law under the Consumer Credit (Early Settlement) Regulations 2004. I don't think it would be reasonable or necessary to expect the agreement to set out the detailed calculation methodology itself; it's technical, complex, and unlikely to assist most consumers. What matters is whether the settlement figure provided was calculated in line with the statutory requirements, and I've seen no evidence that it wasn't. In those circumstances, I don't consider Startline acted unfairly by not explaining the detailed calculation method in the agreement.

Ms C says she felt pressured to sign, but I've seen no supporting evidence. The agreement also gave her a 14-day right to withdraw, which she didn't use.

Ms C's credit report shows Startline recorded arrears in April 2025. The agreement required payments on the same day each month, but Ms C didn't follow this. So, I think Startline was reasonable in sending arrears letters and charging for them as stated in the agreement.

Startline later waived all arrears, which is more than I'd recommend. Ms C says the arrears affected her mortgage application, but the evidence doesn't show a direct link. Other factors like income and lender policy also influence mortgage decisions and there was other adverse information on Ms C's credit file.

Startline provided several settlement quotes between March and July 2025. I've seen nothing to suggest they missed a promised deadline. Even if quotes were delayed, I can't say Ms C lost out, as she didn't make payments until June 2025.

Ms C disputes the new monthly payment after her lump sum. We don't audit calculations, but Startline's explanation—that interest is higher earlier in the term—is reasonable and standard. I've seen no evidence she was overcharged.

Startline should have explained the settlement figure more clearly, showing how much was principal versus interest and charges. Its failure likely caused frustration and uncertainty. They should provide a settlement breakdown for Ms C.

Startline admitted it delayed applying Ms C's lump sum and gave incorrect information, which led to automated termination letters. This caused distress and inconvenience, as Ms C had paid a substantial amount.

The delay also meant she lost £68.35 in interest rebate. Startline corrected the error quickly and confirmed the account wasn't terminated or defaulted. The incorrect payment information had limited impact because Ms C didn't pay the higher amount stated.

Overall, I think Startline's compensation was fair, but they should pay an extra £68.35 for the financial loss and provide a clear settlement breakdown.

### **Putting things right**

Startline should provide a breakdown of the settlement figure, and they should pay Ms C £68.35 for the loss she suffered when the PES application was delayed.

### **My final decision**

For the reasons I've given above, I uphold this complaint in part and tell STARTLINE MOTOR FINANCE LIMITED to provide a breakdown of the settlement figure and pay Ms C £68.35 for the loss she suffered when the PES application was delayed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 10 February 2026.

Phillip McMahon  
**Ombudsman**