

The complaint

Mr T complains that Zopa Bank Limited (Zopa) gave two different figures to settle his Hire Purchase Agreement. He would like Zopa to pay him the difference between the two amounts quoted.

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 giving 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:-

- Shortly after Mr T took possession of his car it was stolen. At this point Mr T exercised what he believed was his 14 day right to cancel his agreement. As I understand it Zopa quoted two figures to settle the account – the lower one was a cancellation fee, the higher one a settlement figure. As Mr T's insurers paid the higher figure Mr T believes Zopa should refund him the difference between the two figures.
- Zopa has explained the first figure given was an approximate figure so not one Mr T could rely on. However Zopa accepts its communication weren't clear particularly around the difference between cancellation and settlement of an agreement.. It has confirmed that, as stated in the agreement Mr T signed under 3.18 of the Insurance section, all payments are due when a vehicle has been declared a total loss or stolen as was the case here. From what I have seen I think Zopa gave the correct figure to settle the account to Mr T's insurer's . On this basis I don't believe there is any outstanding money owing to Mr T.
- I accept there was some confusion over the date payment was due and made by the insurer. However, this is relevant when agreements are cancelled and payment has to be made within a fixed timescale . This is not the case here as Mr T's account wasn't cancelled, it was settled. So, this is not something I need to take into account.
- Having seen the communications from Zopa I agree with its own assessment that they were unclear and inconsistent causing Mr T some frustration and inconvenience. I think, in the circumstances of this complaint, the figure of £100 compensation that Zopa offered is fair.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement of this complaint, If it has not done so already , Zopa Bank Limited should pay Mr T the £100 compensation it offered for the distress and inconvenience caused by its communications.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 31 March 2026.

Bridget Makins
Ombudsman