

The complaint

Miss M complains that AutoMoney Limited trading as AutoMoney (AutoMoney) defaulted and terminated her motor finance agreement without notifying her.

What happened

In December 2023, Miss M acquired a vehicle through a hire purchase agreement with AutoMoney.

Miss M said she didn't receive a default notice or a termination notice by post or email from AutoMoney. She explained that she wasn't made aware of the default until she contacted AutoMoney to enquire about voluntarily terminating (VT) her agreement. Miss M said that, had she been informed, she would have acted.

Miss M also said she was experiencing personal and financial difficulty at the time. To resolve matters, she wants AutoMoney to reinstate her right to VT the agreement, reduce or remove the outstanding balance, correct any adverse credit information, and pay compensation for the distress and inconvenience caused.

In December 2025, AutoMoney issued its final response to Miss M's complaint. In summary, it said it had issued both a default notice and a termination notice to the address it held on file and had attempted to contact Miss M during the default period. It said no response was received until after that period had expired. AutoMoney said it had complied with the relevant legislation and therefore did not uphold Miss M's complaint.

Unhappy with AutoMoney's response, Miss M brought her complaint to this service, where it was passed to an investigator.

In January 2026, the investigator issued their view and recommended that Miss M's complaint should not be upheld. They concluded that AutoMoney had acted fairly in sending the relevant correspondence to Miss M before defaulting and terminating the agreement.

Miss M didn't accept this recommendation and asked for the complaint to be referred to an ombudsman for a final decision. She maintained that she only became aware of the default and termination when she contacted AutoMoney about the VT, that AutoMoney failed to make any adjustments due to her vulnerability, and that she was unfairly deprived of the opportunity to protect her position.

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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll focus my comments on the points I think are most relevant. If I don't comment on a specific issue, it isn't because I've overlooked it, but because I don't think I need to comment on it in order to reach what I believe is the fair and reasonable outcome.

The Consumer Credit Act 1974 is relevant in this case. It requires businesses to serve notice on a borrower before they become entitled to take certain actions, including terminating an agreement or recovering possession of goods.

In their file submission, AutoMoney provided copies of the correspondence they sent to Miss M. I can see that AutoMoney wrote to Miss M in October 2024 and again in March 2025 about the arrears on her agreement. They also wrote to her in April 2025 setting out the options available to exit the agreement. In that letter, they advised that she was at risk of being issued with a default notice, which could result in termination. In May 2025 AutoMoney issued Miss M with a default notice advising her that the agreement might be terminated if she failed to repay her arrears by a specified date. The agreement was subsequently terminated in July 2025, which is the issue Miss M complains about.

Miss M said she hadn't received any notification of the default or the termination. I've thought about this carefully, but I can see from AutoMoney's submission that they wrote to her on several occasions about the arrears and the default notice, and said they attempted to contact her about it. I've seen no evidence that AutoMoney held an incorrect address for Miss M. I'm satisfied the address they used was accurate, as it matches the one she provided to us when she brought her complaint.

AutoMoney sent multiple letters about the arrears, so I think it's reasonable to conclude that Miss M would have received them and, in doing so, had the opportunity to take action.

The correspondence also contained information about the additional support available if Miss M was experiencing financial difficulties. I think it's reasonable to expect that she would have reached out to make a payment arrangement or discuss any reasonable adjustments if she felt they were needed. However, she didn't do so.

I also think it's likely that the terms of the hire purchase agreement explained the requirement to maintain repayments and the consequences of not doing so. So, in addition to the letters AutoMoney sent, I think Miss M would have had the opportunity to understand the importance of keeping up with her monthly payments.

Taking everything into account, although I recognise that Miss M may have been in a position to voluntarily terminate (VT) her agreement, she didn't act in time. Instead, she didn't respond to the arrears notices, which formed part of the contractual terms she agreed to with AutoMoney.

As I've concluded that AutoMoney acted fairly in how it applied the default and termination notice, I don't require it to take any action in response to this complaint.

My final decision

My final decision is that I don't uphold Miss M's complaint about AutoMoney Limited trading as AutoMoney.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 20 March 2026.

Benjamin John
Ombudsman