

## The complaint

Miss S says STARTLINE MOTOR FINANCE LIMITED (Startline), has acted unfairly in how it administered a hire purchase agreement she had with it.

## What happened

This complaint is about a hire purchase agreement that Miss S took out to purchase a car in October 2023. This agreement was to be repaid through 60 monthly instalments of £181.95 plus an additional £10 at the end of the agreement.

In 2025, Miss S' car was written off, and after her insurer's payment to Startline there was still an amount left to repay. She has complained about how Startline administered this remaining amount.

Miss S' complaint to Startline was essentially that it had not considered her situation properly as she was a vulnerable consumer and she should have been treated differently due to the Financial Conduct Authorities (FCA)'s principles for Treating Customers Fairly and Consumer Duty.

Startline considered this complaint and it didn't uphold it. It said that under the terms of the hire purchase any outstanding sums after a car was written off due to an accident, and the insurance has paid out, are due immediately and should be paid within seven days. Despite this, it had worked with Miss S to allow her to repay the amounts she owed monthly. And when Miss S had indicated that she didn't want the standard communications it had removed her from the system that sent these automatically.

Miss S didn't agree and she brought her complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold Miss S' complaint. She recognised that this situation may have caused Miss S some distress, but she didn't think that Startline had acted incorrectly. The information it had provided to Miss S was reasonable and it considered her circumstances and inability to repay the final amount she owed straight away.

Miss S didn't agree with the Investigator. She said, the unexpected situation with her car and the amount owing had affected her mental health and made her a vulnerable customer. And she had fully informed Startline of this. But despite this she doesn't think that Startline:

- Adequately recognised or recorded her vulnerability.
- Responded appropriately to her disclosed mental health difficulties.
- Provided tailored or specialist support, or reasonable adjustments, in respect of her vulnerabilities.
- Assessed affordability in line with good practice. She says she was not offered an affordable repayment plan, or similar.
- Considered the cumulative impact of their actions.

Miss S says that acting on the basis that the amount she owed should be repaid immediately caused her undue pressure and mental health difficulties.

Because Miss S didn't agree, this matter has been passed to me to make a final 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.

In 2025 Miss S' car was involved in an accident, and it was written off by Miss S' insurers in July 2025. In August 2025 Miss S' insurers paid £4,326 to Startline. This left a balance to be repaid by Miss S of £1,104.57.

Startline initially said this would need to be paid immediately or the account could default, but it then agreed that Miss S could repay it over three months. After several telephone calls, it was agreed on 7 August 2025 that she would pay £181.95 plus an additional £186.24 for three months which would settle the account. Miss S' insurers then paid a further £500 leaving £604.57 to pay. On 20 August Startline again agreed that this be repaid over three months at £181.95 plus £19.58 each month.

Miss S has said that she repaid these amounts, and I've not seen that she still owes any amounts to Startline.

As this was agreed Miss S asked that no further contact was made, but I can see that she was called several times after this. She was also sent text messages asking her to contact Startline and I've seen a text which says that the agreement had been terminated and could be defaulted. These seem to have been sent on or around the time Miss S was arranging the repayment plan. Startline has recognised that the repeated contact request may have caused concern once the repayment plan had been agreed and it removed her contact details from the automated contact system for these.

Given this difficult situation I've thought about whether Startline acted incorrectly as Miss S says. As a starting point it's worth noting that the contract Miss S had says:

*'You will pay to us within 7 days of our demand any shortfall between the amount of the insurance monies received by us and the amount due on the total loss of the Vehicle. This amount shall be calculated in the same way as if the hiring had ended on the date of the total loss and Conditions 10.1.4 and 10.1.7 applied. Once you have paid that sum, this agreement shall end.'*

So, when Mrs S' insurance didn't pay the full amount to settle the contract she had seven days to repay what was left over, in line with the contract. Understandably, she has said she would struggle with this and contacted Startline. But, as I've reproduced above, I think it's important to note that Startline wasn't acting incorrectly when it asked Miss S to repay the outstanding loan in a short period of time.

Miss S has essentially said that Startline has acted unreasonably, and outside of its regulatory requirements, in respect of the timeframe that it asked her to repay the lending and how it communicated with her. I'll deal with both in turn.

Miss S and Startline were in contact about what she needed to repay. And Startline agreed that she could repay the amounts over a three month period. This may not be what the contract says, or Startline's 'procedure', but I would have expected it to talk to Miss S and make some kind of arrangement to repay that she could afford and agreed to.

And having looked at everything, I think this is what it did. It agreed that Miss S could repay the amount owed over three months. Whilst the first agreement was for more than the monthly repayments of the contract this would be for a short period of time. And the second agreement was for a modest amount over the agreement's monthly repayments and again for a short period. Miss S has confirmed that, in both cases, and whilst I accept it may not have been straightforward or easy, that she could pay these amounts. And this is what happened. So, I don't think that Startline needed to do anything differently in respect of the payment arrangements it made.

To be clear, I don't think it needed to do an income or expenditure exercise. But in any event even if it had done this, Miss S has confirmed that she could, and has, made the repayments. So, I don't think an income and expenditure exercise would have made a difference, as any further information gathering would have likely showed she could afford the repayments.

I've seen the contact history between Miss S over the time of the accident and the end of the contract. I think it's reasonable to say that Miss S was able to contact Startline and arrange how to repay the outstanding amount, I've not seen there were any problems in communication. So, I don't think that Startline needed to do anything differently to enable Miss S to communicate with it.

Miss S says that Startline should have had a greater awareness and acted on her vulnerabilities and perhaps referred her to a specialist team about this. Whilst I can understand why she feels this way, given what I've said above about the communication between the two parties I don't think it needed to do this.

I agree that some of the correspondence sent could have alarmed Miss S. That said, Miss S wasn't repaying the amounts outstanding within the seven days the contract said she should. And Startline wasn't acting incorrectly when it informed her of the potential consequences of this. And Startline did ensure that she wouldn't receive these correspondences going forward when it was made aware that they were causing Miss S a problem. I think this was fair.

Miss S has written in some detail about how she feels Startline should have acted differently, and she has referred to a significant amount of the FCA rules and guidance on repayment, vulnerable customers and Consumer Duty (amongst other things). I'm not going to respond in detail to all of this, but I have read it all.

I having considered all what Miss S has written about how she feels Startline didn't act appropriately given these rules. As I've said I don't agree with this and it isn't enough to say that Startline has acted outside of the regulators rules I need to also be able to say that this has caused some harm or loss, and I can't reasonably say that it has done here.

This is because, overall, I think Miss S was able to communicate with Startline about this issue, it made changes in its normal process to accommodate her needs, and the situation was ultimately resolved. I'm not persuaded Startline did anything wrong here.

Clearly Miss S was in a difficult situation due to losing her car and owing further funds. I don't want to underestimate the impact this had on her and I hope Miss S understands I'm not trying to do this. But this situation wasn't caused by Startline, and I don't think it would be fair to say it should be responsible for the problems the situation itself caused.

### **My final decision**

For the reasons set out above, I don't uphold Miss S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 22 May 2026.

Andy Burlinson  
**Ombudsman**