

The complaint

Miss A complains about how STARTLINE MOTOR FINANCE LIMITED ('SMF') responded to her financial difficulties.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

In 2022 Miss A took out a hire purchase agreement with SMF for a second-hand car.

Miss A had some financial difficulties and contacted SMF about it. She said that despite informing it of her situation (including her disability and vulnerability) it did not treat her fairly or provide adequate support.

In summary, Miss A says SMF unfairly refused a short-term payment break request in May 2025. And instead went on to issue a default notice and terminate the agreement.

Our investigator did not uphold the complaint so it was passed to me for 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. This includes the FCA Consumer Credit Sourcebook (CONC). And the FCA's Consumer Duty, which sets high standards of consumer protection across financial services.

Events that occurred after the complaint

The complaint Miss A brought to SMF in May 2025 (which it answered in June 2025) and escalated to this service is about it declining to offer her a payment break. The fact that SMF since issued Miss A with a default notice in July 2025 and the agreement terminating is contextually relevant to this complaint, as it ultimately shows the path which SMF chose to go down following said requested payment break. However, for clarity I am not looking at a complaint specifically about the manner in which the agreement was brought to an end (including how Miss A says she felt forced into Voluntary Termination), the specifics of the termination process or how it may have been recorded on Miss A's credit file. Miss A can complain about this subject matter separately if she wishes to.

SMF's response to Miss A's financial difficulties

I am sorry to hear about Miss A's financial difficulties. I can see that she approached SMF for help and with information about her situation from an early stage. And she continued to have an open dialogue with it.

It appears around September 2024 Miss A first got in touch with SMF to explain she needed help as she had missed some payments on her finance agreement and accumulated arrears. I can see that SMF responded shortly after, offering to support her with a repayment plan either via continuing correspondence or over the phone.

What followed was a written dialogue between Miss A and SMF where she proposed that she could afford to make reduced payments toward the arrears over time. And I can see that SMF explained it could do this for 6 months – but it would lead to increased payments going forward. It explained what these were and Miss A agreed to the plan.

Up to this point I think SMF acted fairly and worked with Miss A to come to a forbearance resolution that would support her in sustainably paying down arrears and continue in the agreement so she could keep the car. I note Miss A later indicated to it she was grateful for it allowing her to repay the arrears like this. As Miss A doesn't appear to be complaining about this stage of her interaction with SMF I have not focused on it.

After the repayment plan came to an end around March 2025 – it appears that further forbearance was applied to the account through the Breathing Space scheme as Miss A was still in financial difficulty. This was due to come to an end in late May 2025.

Toward the end of the Breathing Space period Miss A contacted SMF looking for around 2-3 months of a 'payment break'.

SMF indicated it would consider the request but it would also have to balance this against Miss A's continued use of the car and long-term affordability of the agreement. And I can see that while SMF indicated it would consider things, after some back and forth ultimately SMF did not grant this and instead called in the arrears. I can see in July 2025 it issued Miss A with a default notice where the agreement was due to terminate if the arrears were not cleared by the end of the month.

I know this was extremely disappointing for Miss A as I can see from what she has said that she wanted a payment break and continued use of the car which was important to her for day to day living. And I know she indicated to SMF that she was going to get her payments back on track at some point in the future. However, I don't think SMF was acting unfairly here in not granting a payment break noting:

- Miss A had recently been granted a prolonged period of forbearance so that she could pay back arrears and get things back on track, followed by further forbearance through Breathing Space. During which time she was continuing to use SMF's asset which was depreciating as time went on.
- Miss A had just come out of a prolonged period of arrears and was going to accrue more arrears through a payment break of around 3 months. And while Miss A said she wanted to prioritise her car finance agreement, it was clear from the circumstances that payments were not affordable for the medium term and potentially beyond that. A fair way for SMF to limit Miss A's liability further would be to look to bring the agreement to an end.

I think SMF's communication could have been a bit better just before it made its decision not to grant further forbearance. For example it had indicated at one point that it could not provide a reduced payment plan, before correcting itself a day after to say it could consider

this based on the specific circumstances. SMF also wasn't always immediately responsive to Miss A's emails. However, while irritating I don't think these things were sufficiently poor to warrant compensation. And, while disappointing for Miss A I don't think the ultimate decision to call in the arrears and look toward bringing the agreement to an end rather than granting a payment break was unreasonable here. I also note in coming to my decision that although Miss A had told it she had a debt charity ('S') supporting her SMF had provided information about how she could access support – along with the existing options for her to exit the agreement.

Disability and vulnerability

I know Miss A considers SMF did not support her adequately considering her disclosed disability and vulnerability. She refers to SMF's lack of empathy and its failure to provide reasonable adjustments in line with the Equality Act 2010.

I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Miss A wants a decision that SMF has breached the Equality Act 2010, then she would need to go to Court.

There is no dispute that during Miss A's dialogue with SMF in May 2025 she explains to it that she has a disability. She explained that it 'impacts her abilities somewhat' but that the debt charity S was supporting her with this.

I can see that SMF then ask for more information regarding this so that it can 'offer the correct support'. Miss A explains more about her condition and how it 'makes dealing with finances extremely difficult'. She also explains that her current financial difficulties have triggered mental health issues which she is 'now getting the appropriate support for'.

SMF respond to request her permission to record it on her account so staff are aware and can deal with things with the 'necessary care and sensitivity'.

I don't see where Miss A then gives SMF the permission to do this. However, and in any event while SMF would be expected to provide appropriate support and adjustments for Miss A, there is no indication that SMF were not willing to consider specific requests to better support her at the time. It appeared open to hearing more about how Miss A was impacted by her specific disability and vulnerability. And while Miss A disclosed that she had difficulty dealing with financial matters and was feeling impacted mentally by this situation – she also indicated she was getting adequate support with that already.

I note Miss A says she asked SMF to communicate only in writing with her. I don't see where this request was made originally or where calls were made by SMF against said request in respect of this complaint. But I note the dialogue about repayment options central to this complaint appears to have been conducted in writing in any event. So, overall, I don't see how SMF has acted unfairly here.

I note Miss A has also mentioned that she considers '*the denial of a modest, temporary payment break without due consideration to be discriminatory*'. I am sorry to hear that Miss A feels she has been discriminated against. I recognise SMF not agreeing to a request for further forbearance has greatly upset her – but I don't see persuasive evidence that it acted unfairly or unreasonably here. SMF's decision not to grant a payment break appeared fair due to the account history and specific financial considerations I have already discussed above.

I am sorry to hear about Miss A's difficulties and wish her well for the future. I remind her

that my role is informal – and she may choose to consider taking her dispute by more formal means (such as court). That is a matter for her to decide and seek advice on as she deems appropriate.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 28 April 2026.

Mark Lancod
Ombudsman