

The complaint

Miss M complains about the handling of a hire purchase agreement she has with Secure Trust Bank Public Limited Company trading as Moneyway.

What happened

In December 2024, Miss M took out a hire purchase agreement with Moneyway to get a used car from a dealer. The car had a cash price of around £13,000 and under the agreement, Miss M was scheduled to make monthly payments of about £330 over a five year period.

As part of the sales process, the dealer agreed to register the car in Miss M's name, with the Driver and Vehicle Licensing Agency (DVLA). So, Miss M began the day to day personal use of her car.

However, when Miss M came to renew the car's vehicle tax in June 2025, she says she realised that the dealer had made a mistake and had registered the car to an unknown third party. To try and put things right, Miss M spoke to dealer, who recognised the error.

But, the dealer took just over three weeks to put things right. And during that time, Miss M says she couldn't drive the car, because her insurance policy would have been invalid. So, Miss M used a hire car instead at her own cost, and says she lost income on the days she wasn't able to work. Consequently, Miss M complained to Moneyway about the delay.

In their final response to Miss M's complaint, Moneyway agreed that the dealer had made a mistake. But, they said the DVLA guidance directed Miss M to contact the dealer sooner than she did. Although Moneyway offered to pay Miss M £200 for the distress she was caused by the delay, they didn't offer to reimburse her for the other costs she says she incurred. Miss M didn't accept Moneyway's response and brought her complaint to this service.

One of our investigators looked into Miss M's complaint and found that Moneyway hadn't treated Miss M fairly. She said that regardless of how soon Miss M should have contacted the dealer, there was still a mistake to begin with. And that mistake took time to put right. So, the investigator said Moneyway should reimburse the car hire costs and pay interest on top of that.

The investigator didn't think Moneyway should cover Miss M's loss of income and said she could have done more to mitigate that loss herself. But, the investigator did agree that Moneyway should pay Miss M £200 for the distress and inconvenience caused.

Miss M accepted the investigator's findings, but Moneyway didn't. They said the dealer's mistake didn't cause the losses Miss M had claimed for. They also said Miss M would be put in a better all round position, if they had to refund her the cost of the car hire.

The investigator didn't change her conclusions and Miss M's complaint has now 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.

This case is about a hire purchase agreement in Miss M's name taken out with Moneyway, which is a regulated financial product. As such, we are able to consider complaints about it.

The terms of Miss M's hire purchase agreement has a section titled 'Description of the Goods (the Vehicle)'. Within that section it says:

"The Vehicle' includes any replacements, renewals and additions, such as keys, and any documents relating to the Vehicle including the V5C and MOT certification."

The terms also say that Miss M should make sure the car has valid road tax and insurance at all times. Having considered the agreement, I think it was for Moneyway to provide Miss M with a car that was accurately registered. Or, at least provide Miss M with the guidance, advice and documentation for her to register the car in her name herself.

I've listened to the call between the dealer and Miss M, after she raised her concerns in June 2025. Having done so, I can hear where Miss M was told that the dealer should have registered the car in Miss M's name, and that it was registered to a third party in error. So, on balance, I think Moneyway had allowed the dealer to carry out that duty, to fulfil their obligations under the hire purchase agreement.

In light of the dealer's error, I think this means Moneyway had breached the contract they had with Miss M. Indeed, this is accepted by Moneyway, as well as the credit intermediary used in the hire purchase agreement. With this in mind, I think Moneyway were responsible for putting things right for Miss M. So, I've looked at what happened next, to decide if Moneyway have treated Miss M fairly.

Within their response to Miss M's complaint, Moneyway say Miss M had a responsibility to notify the DVLA within four weeks of the sale, if she hadn't received confirmation that the car was registered to her. While I understand Moneyway's view here, I still think this means Miss M would have been caused a delay. And where she would not have been able to use her car.

I say this as the guidance from the DVLA outlines where it could take an additional four weeks to provide the new relevant registration documents. Miss M says this means she didn't have a valid insurance policy, while she was waiting for the registration to happen. I agree with Miss M's argument here and think it was reasonable of her not to use the car.

As it happens, I can see where the dealer managed to correct the error with the DVLA, in just over three weeks from Miss M raising her concerns. Miss M's records show where she contacted the dealer about their error on 10 June 2025, and it was resolved with DVLA by the 2 July 2025. I've found where Moneyway were responsible for registering the car correctly. So, I think it's fair for Moneyway to look to compensate Miss M for any reasonable loss she encountered during those three weeks.

Miss M says she needed her car to get to and from work. To avoid any issues here, Miss M has provided us with an invoice to show she paid for the use of a rental car for 12 days. I can see from the invoice where the cost of the rental car was £494.

I can also see where the type of car Miss M rented, was comparable to the car supplied under the hire purchase agreement. In other words, Miss M didn't rent a more luxurious or

prestigious car, than the one she acquired from Moneyway.

Against this background, I think it's fair for Moneyway to reimburse Miss M for the cost of the hire car. In doing so, I don't think Miss M will be placed in a more generous position. I say this because I think Miss M has suffered a cost, that she might not have incurred, had the car been registered correctly by the dealer in the first instance.

I'm aware that Miss M has also claimed for the loss of earnings from her job role. To demonstrate this, Miss M has provided us with her wage slips from June and July 2025. I've considered this very carefully, but I think Miss M could have mitigated her loss here, in the same way as she did with the rental car in the same three week period.

So, on balance, I don't think it would be reasonable to require Moneyway to compensate Miss M for the other losses she has told us about. I note Miss M has previously accepted this finding with our investigator.

Miss M has been without the use of the funds from cost of the car hire, ever since she paid for it. So, I think it's fair for Moneyway to add interest at 8% a year simple to the reimbursement of the car hire cost, from the date it was paid, to the date of settlement of this complaint.

I acknowledge all the difficulties Miss M has told us about, and I can see where it all relates to not being supplied with the correct registration with the DVLA. So, I think it's fair for Moneyway to make a payment to Miss M to reflect the distress caused. Having considered everything, I think it's fair for Moneyway to pay Miss M £200 for the distress and inconvenience she experienced.

Putting things right

For these reasons, I think Secure Trust Bank Public Limited Company trading as Moneyway should:

1. Reimburse Miss M £494, for the cost of the car hire;
2. Add interest at a rate of 8% a year simple to part one of this settlement, from the date the car hire was paid for, to the date of settlement of this complaint; and
3. Pay Miss M £200 for the distress and inconvenience she has experienced.

Moneyway must pay these amounts within 28 days of the date on which we tell them Miss M accepts my final decision. If they pay later than this, they must also pay interest on the settlement amount from the date of final decision to the date of payment at 8% a year simple.

If Moneyway deducts tax from any interest they pay to Miss M, they should provide Miss M with a tax deduction certificate if she asks for one, so she can reclaim the tax from the tax authorities if appropriate.

My final decision

My final decision is that I uphold this complaint and require Secure Trust Bank Public Limited Company trading as Moneyway, to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 14 April 2026.

Sam Wedderburn
Ombudsman