

complaint

Mr M complains about various issues which arose when he voluntarily terminated his hire purchase agreement with Secure Trust Bank Plc (trading as Moneyway).

background

In 2016 Mr M acquired a car under a hire purchase agreement financed by Moneyway. In August 2018 he voluntarily terminated the agreement. He complains that the car was not collected within the time period he was told. When the car was collected, it was inspected at his home, and then taken away and inspected again; he complains that he was not told there would be a second inspection. The report of the second inspection recorded over £1,300 of damage, although no damage had been found in the first inspection. Mr M disputes that there was any damage. He learned about the report when Moneybarn charged him £120 for damage to the glove compartment – it never charged him for any of the other alleged damage.

Mr M complains that Moneybarn harassed him by pursuing him for the £120, and for another £96.90 which he still owed it after terminating the agreement. He also complains about having had to make multiple phone calls to Moneyway, due to its computer system being down.

Moneyway reduced the damage charge to £75. Being dissatisfied with that, Mr M brought this complaint to our Service. One of our investigators thought that there was not enough evidence that the glove compartment was damaged. So Moneyway offered to waive the damage charge and the outstanding balance under the agreement, and to amend Mr M's credit file to reflect this. Our investigator thought that was fair, but Mr M did not agree. He said he had been greatly inconvenienced and that his reputation had been severely damaged. He asked for an ombudsman's decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I think that Moneyway's offer is fair.

Mr M has expressed great concern about the figure of £1,315 in the report. However, nobody ever told him to pay that much, and he only learned about that figure when Moneyway sent him the report, with a covering letter saying he was liable to pay £120.

I appreciate that Mr M was not even expecting to be charged as much as £120, given that the car had passed its initial inspection at his home. He ought to have been told that this was only a preliminary inspection and that the real inspection would take place after the car was collected. Moneyway has acknowledged that this should have been made clear. But as Moneyway has offered to waive the charge, and also to waive nearly £100 which Mr M still owes it under the finance agreement, I think that is fair compensation for that issue.

In fact, I think that by waiving the balance due under the agreement, Moneyway has done enough to make amends for two of the other issues Mr M has complained about too – the phone calls he made, and the fact that the car was not collected within ten days but after about four weeks.

I do not uphold Mr M's complaint about Moneyway pursuing him for what he owed – including during the period that his complaint was with our Service. The £96.90 had nothing to do with the inspection – it was the difference between half of the total amount payable under the agreement (his liability on voluntarily terminating the agreement) and the total he had already paid. He wasn't entitled to withhold this money just because he disputed the unrelated damage charge, and Moneyway wasn't obliged to cease pursuing him for it just because he had a complaint with our Service. Moneyway was entitled to ask him for it, and it's clear that he could afford to pay it, because when he terminated the agreement he told Moneyway that he could afford to discharge his liability immediately (and at that time he still owed more than £400).

my final decision

So my decision is that Secure Trust Bank Plc (trading as Moneyway) must waive the damage charge and the outstanding balance under Mr M's hire purchase agreement, and amend his credit file accordingly (as it has offered to do). I do not require it to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 January 2020.

Richard Wood
ombudsman