

complaint

Mr H complains about the amount charged by Secure Trust Bank Plc when he chose to end his hire purchase agreement early.

background

Mr H had a car through a hire purchase agreement. When he was half way through the term of the agreement he decided to hand the car back. As he was up to date with the payments, he didn't have to continue with the repayments. But Secure Trust said there was some damage to the car and some items were missing, including the car's registration document and MOT certificate. It said Mr H would be charged £606.58.

Mr H didn't disagree with the charges. But he asked Secure Trust if it would refund the charges for the missing items if he found them. He did then find the items and sent these back to Secure Trust. He asked for the charges relating to these items (£253.58) to be refunded to him.

Secure Trust said it couldn't find the items, so it couldn't refund him. After Mr H provided tracking details for the parcel, Secure Trust said it still couldn't find the items. But as there was evidence they had been received, it removed the charges for these items and said Mr H only had to pay the balance of £353.

Mr H then complained to us. He said that because of the delay sorting things out, he hadn't been able to get another car, and he'd been forced to take taxis to work for three months, at a cost of £300. So he wanted this sum to be removed from the balance.

In response to our enquiries, Secure Trust said it could have handled things better and offered £50 compensation. Our investigator thought that was reasonable but Mr H disagreed. He asked if Secure Trust would increase its offer but Secure Trust said it thought £50 was reasonable. So Mr H has requested an ombudsman's decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Secure Trust accepts that it could have dealt with Mr H's case better. The dispute is not about what happened, but whether the compensation offer of £50 is fair.

Mr H says it isn't enough, because it took Secure Trust three months to confirm the items were lost and agree to waive the charges for these. He says the main basis for his complaint is that he couldn't get another car during this time, because he didn't want to take out a new finance agreement until this one was settled. He says if it had been dealt with promptly, he would have got another car straight away.

I appreciate that it must have been frustrating for Mr H if he had returned the missing items and Secure Trust said it couldn't find them. But I don't think that means it should pay him £300 to cover the cost of taxis. I'll explain why.

The car was inspected in December 2016 and Mr H sent the items back that month. Secure Trust confirmed in February 2017 that it would waive the charges for the missing items. So that's a period of two months rather than three.

If Mr H had got another car, I don't know whether that would have cost him more over this period than the cost of taxis. So it's not clear what his loss was. If there was a loss, I'd expect Mr H to take reasonable steps to reduce this. As far as I'm aware, he wasn't prevented from getting another finance agreement. There was only a small balance owing on the hire purchase agreement and he didn't have to continue making the monthly payments. The dispute was over a relatively small amount of charges. So while I know Mr H wanted to get this cleared up, it was his decision not to replace the car; there was nothing to stop him getting another one. And if he'd done so, he wouldn't have had to use taxis.

Taking all these things into account, I think the offer of £50 compensation is fair and don't require Secure Trust to take any further steps to resolve this complaint.

my final decision

My final decision is that I don't uphold the complaint. I'll leave it to Mr H to decide whether he wants to accept the compensation offer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 April 2017.

Peter Whiteley
ombudsman