

## **complaint**

Mr S complains that RCI Financial Services Limited ("RCI") did not allow him to voluntarily terminate a hire purchase agreement.

## **background**

Mr S bought a car in September 2005, financed by a hire purchase agreement with RCI Financial Services (then trading as Nissan Finance (GB) Limited). Mr S was unable to maintain his monthly repayments and RCI terminated the agreement in January 2008.

RCI subsequently took court action and obtained a Return of Goods order in May 2009. RCI recovered the car and sold it at auction in January 2010, leaving Mr S with an outstanding liability of over £2,000. RCI tried to recover the outstanding debt through the courts but decided to end its action in February 2012.

Our adjudicator did not uphold the complaint. He concluded that there was no evidence that Mr S had tried to voluntarily terminate the agreement before RCI terminated the agreement and took court action against him. He was not persuaded that RCI's actions were unreasonable and found no reason to recommend that RCI should write off the outstanding debt.

Mr S did not accept those conclusions so the matter was referred to me for review and determination.

## **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 do not uphold this complaint.

First, the hire purchase agreement was signed in September 2005. This service was only given powers to consider complaints about this type of agreement in April 2007. These powers are not retrospective. As a result, I am unable to consider the dispute about the car's registration recorded on Mr S's agreement.

I can see that, when RCI obtained judgment against Mr S in May 2009, the District Judge allowed Mr S 21 days to produce evidence that he had tried to voluntarily terminate the agreement in December 2007. Mr S was unable to produce this evidence.

RCI's internal contact notes for Mr S's account show no record of him asking to terminate the agreement before RCI issued a default on the account in December 2007. I also note that Mr S had not previously told the court that he had been unable to terminate the agreement. (Court action had started in November 2008.) If Mr S had tried to terminate the agreement in December 2007, I might reasonably have expected him to raise this before May 2009.

I find no evidence that Mr S tried to terminate his agreement with RCI before it terminated the agreement and began court action. I am also satisfied that RCI's decision to take Mr S to court was not unreasonable. Whilst RCI is no longer actively pursuing Mr S for payment, he remains liable for the outstanding balance on this account.

**my final decision**

My final decision is that I do not uphold this complaint.

Simon Begley  
**ombudsman**