

## complaint

Mr Y complains about the service he received from Instant Cash Loans Limited (trading as Moneyshop) when he tried to redeem two items.

## background

In February 2018 Mr Y took two items into a London store of Moneyshop. The agreements were for seven months which meant the items were due for redemption in mid September.

In October Mr Y contacted the branch to say he'd like to settle the agreement in his local store and collect the items from there the following week. He said he'd been ill and wasn't able to travel to London. The store however said it couldn't move items from one store to another so he'd need to come to London which he agreed to do. Moneyshop confirmed that the price for redemption that day (15 October) was £593.33 but that interest was added daily.

Mr Y's unhappy that when he went to collect the items on 17 October the amount to settle had gone up to £626.19. He says this was more than he'd been told and he didn't have enough money to pay the extra. He thinks it's unfair.

Moneyshop said it had explained in the call on the 15<sup>th</sup> that the figure quoted was only valid for that day as it was calculated on a daily basis. Mr Y didn't go in until 2 days later so there was additional interest to be paid but this was in line with the agreement he'd signed so it didn't agree it was unfair. It noted that the redemption date had in fact been mid-September and under the agreement it was now free to sell the goods if they weren't redeemed. But it offered to freeze the interest from 17 October to 7 December to allow Mr Y time to collect his items. After that however the items would be sold in line with the agreement.

Our investigator felt Moneyshop had dealt with this complaint fairly so she wouldn't be asking it to do anything more. The credit agreements signed by Mr Y included the clause *“Interest is calculated and applied daily to the amount of credit outstanding”* and explained what the daily amount would be. It went on to explain the interest on late payments as follows: *“If you do not return the Property on expiry of the duration of this agreement we will charge you interest at the interest rate above until the amount due under this agreement is discharged in full, either by passing of the Property in pawn, its sale or redemption.”* She felt this explained Mr Y would need to pay extra interest if he didn't redeem on time.

She'd also listened to the calls between Mr Y and Moneyshop, which supported Moneyshop's explanation regarding the amount Mr Y would need to redeem his items. And although Moneyshop said it couldn't move the items from one store to another for security reasons, it had offered to extend the time for collection to 7 December at no extra cost to allow Mr Y the chance to make other arrangements. She felt this was fair.

She'd taken into account Mr Y had been unwell. And his frustration at the problems he was having in redeeming his goods. But Moneyshop had acted in line with the terms of the agreement. It had also made a number of offers to Mr Y to help him collect his items. For that reason she couldn't agree it had done anything wrong or acted unfairly.

Mr Y didn't agree and he was unhappy that in the interim, Moneyshop had sold one of his items for less than he believed it was worth. He asked for it to be referred to an ombudsman.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I don't agree Money shop has done anything wrong so I won't be asking it to do anything more as I'll now explain.

Mr Y pledged two items in store in February 2018 using fixed term agreements with Money shop. I've reviewed the agreements signed by Mr Y and can see they set out the amount of credit, the rate of interest, the date for repayment and the amount of daily and monthly interest that will be payable in the event of late payment. The agreement also went on to explain that in the event of late payment, extra interest would be added from the agreed repayment date to the actual date of repayment. Taking this into account I think the information provided was reasonable. And I've also seen Mr Y says he'd used Moneyshop for many years so I think it fair to believe he understood the process

I've also listened to the calls between Moneyshop and Mr Y where the specific amount of interest for these items was discussed. I've heard Money shop say that interest was added daily and that the figure of £593.33 was only valid for that day. Mr Y didn't go to the store that day with the result there was extra interest to pay but that was in line with what he'd been told so I can't agree Moneyshop acted unfairly.

And I've seen Money shop then agreed to hold the items until 7 December at no extra cost. This seems to me to have been a reasonable offer that gave Mr Y time to either collect the items himself or make other arrangements. And while Moneyshop went on to say that after the 7 December the items could be sold, this was always a possibility and set out in the agreement so again I don't consider this to be unfair.

I've seen Mr Y pledged the items in London but wanted to pay and collect in his local store, some distance away. Moneyshop has explained why it wouldn't usually do this but I've also seen that on 7 December it offered to make this arrangement provided Mr Y paid the full redemption amount in store on that date. He didn't do so and the items weren't redeemed but I don't consider Moneyshop is responsible for this.

Since Mr Y came to us, the two items have been sold by Moneyshop. I've seen Mr Y feels this is unfair and that the price achieved is less than the items were worth. However Moneyshop has provided information to show that gold items are assessed on the value of the gold and the weight. And because the value of gold can go up and down the rates are adjusted daily. It's not for me to say whether this was the best price Mr Y could have got for these items if they'd been sold elsewhere but I can see that the price achieved was in line with its published rates at the time. On that basis I can't reasonably say Moneyshop has made a mistake with the valuation.

I appreciate that this had been a difficult time for Mr Y. I've taken all this into account but, for the reasons given, I can't agree Money shop has made a mistake or acted unfairly. It calculated the interest in line with the agreement and also made a number of offers to resolve the dispute. I know Mr Y feels it shouldn't have sold the items but as the items weren't redeemed either by the date in the agreements or by the 7 December, then its entitled to do so and I can't say that's unfair.

I realise Mr Y will be disappointed by my decision but in the circumstances I won't be asking Moneyshop to do anything more.

**my final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 18 August 2019.

Cerys Jones  
**ombudsman**