

The complaint

Mr H complains about a car he acquired with finance provided by 247 Money Group Limited ("247"). He also complains that 247 did not help him when he was in financial difficulties.

What happened

In January 2019 Mr H acquired a used car under a regulated hire purchase agreement with 247. The car was nearly nine years old, and had a cash price of £3,495. Soon afterwards he complained about problems with the car, and 247 sent him a final response letter later that year. He did not pursue that matter with the Financial Ombudsman Service at the time.

Mr H complained again in 2021, this time about a different issue with the car. He said that another garage had found a hole in the engine block and had told him that this hole must have been there for a long time. He said the car needed a new engine, and so he had bought a replacement vehicle. 247 did not uphold his complaint, saying that he had not provided any proof. 247 sent him a new final response letter, since this complaint was about a new matter, and this time Mr H did bring his complaint to our service. He wished to complain about the original matters as well, but our investigator said that it was too late, as too much time had passed since the original final response for our service to consider it now.

Mr H also complained that he had told 247 that he was in financial difficulties and that he was struggling to afford his monthly repayments, but 247 had not helped him. He said the call handlers had been abrupt and unsupportive.

Our investigator did not uphold this complaint. He said that as legally the burden of proof fell on Mr H to prove that his car had a problem, rather than on 247 to prove it was alright, he could not uphold the complaint about the car. And he said that 247 had put Mr H on a reduced payment plan, so he thought that 247 had provided a positive and sympathetic response. Mr H did not accept that opinion, and so the case was referred for an ombudsman's 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.

Having done so, I do not uphold it. I will explain why.

If 247 gave Mr H a car which was not of satisfactory quality at the time it was delivered to him or collected by him, then 247 will be liable for that. But I have seen no evidence about the alleged defect with Mr H's car. Section 19(14) and (15) of the Consumer Rights Act 2015 say that when a fault is discovered with goods within six months after they were sold or hired, then the fault is presumed to have been present at the point of sale or hire. That rule does not apply if the fault is discovered more than six months later, and so in that case the purchaser or hirer has to prove that the fault was present at the point of sale. I do not think that Mr H has proved his case, and so 247 did not have to compensate him for the car.

According to 247's contact notes, in April 2021 Mr H phoned 247 to say he was in financial difficulties, and he wanted to discuss an arrangement. He wanted to reduce his payments, and to pay them weekly rather than monthly. The call handler was willing to do that, but Mr H decided not to do it once he heard that it would affect his credit file. He said he would look for some alternative instead.

Mr H contacted 247 again in September 2021 to say that his bank had frozen his account. In October he was out of work (his contract having ended), and he agreed to pay £30 a week; this was to clear his arrears, since he had originally been paying £109.37 a month. In November he said he had a new job, and the arrangement was continued, and was renewed in January 2022 for a further three months, which he said he could afford. In March 2022 Mr H said he was struggling to make payments because he had bought another car on finance and was having to make payments under that agreement too. It was agreed that he would complete an income and expenditure form, although it does not appear that this was ever done. There were some further discussions over the following months, but the contact notes repeatedly state that 247 often had difficulties in getting hold of Mr H. In May a default notice was sent, and in June 247 sent him a letter which said:

"As we still have not been able to contact you successfully by phone and email to resolve your arrears, we are now going to instruct a home reconnection agency who will visit you on our behalf to put you back in touch with us. This visit will take place within the next 7 days from the date of this communication. To avoid the home reconnection visit, please contact us."

In or around July 2022, Mr H cancelled his direct debit.

In August, 247 wrote another letter which said:

"We have been trying to reach you to talk about your account, but unfortunately, we haven't been able to reach you. You currently have an arrears balance on your account of £643.70 which may be having a negative impact on your credit file. If you are experiencing any difficulties, we are here to help. Could you please call us."

247 had previously suggested that Mr H could sell his original car for scrap to reduce his liability. 247 had received an offer of £400 for the car, or nearly two thirds of his arrears. Contact was re-established with him in September 2022, but his account was terminated.

From the account history recorded in the contact notes, it appears to me that 247 did what it reasonably could do to assist Mr H. However, I have also listened to a call recording to see whether the call handler was abrupt or unhelpful as alleged. I think the call handler dealt calmly and professionally with what sounded to me like a challenging call, and I don't think there is anything in that complaint point.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 October 2023. But as this decision is our final word on the merits of this complaint, we will not be able to consider this case further.

Richard Wood
Ombudsman