

## **The complaint**

Mr V complains about the treatment he received from Black Horse Limited (BHL) in relation to a hire purchase agreement. Mr V said BHL failed to support him as a vulnerable customer who was experiencing financial difficulties.

## **What happened**

In December 2017, Mr V acquired a used car through a hire purchase agreement with BHL. The cash price of the car was £15,299. The total amount financed on the agreement was £15,299 payable over 60 monthly repayments of £343.91.

From June 2018 Mr V started experiencing arrears on the agreement. In December 2018 Mr V explained that he was involved in an accident which affected his ability to work. Mr V said he was also considered as vulnerable. Mr V said he informed BHL of his circumstances and asked that adjustments be made, so he could continue making his repayments.

In January 2022 Mr V complained to BHL because he didn't think they were treating him as they should have been, in consideration of his vulnerability. Mr V said he wasn't provided with the appropriate support when he needed it. Mr V also complained about the contact he received in relation to the arrears on his agreement, and what had been recorded on his credit file.

To resolve matters BHL agreed to waive the outstanding balance on the agreement, pay Mr V £300 in compensation and amend his credit file to show that an arrangement to pay was in place.

Unhappy with their decision, Mr V brought his complaint to our service for investigation.

Having considered all the information on file, our investigator recommended that Mr V's complaint should not be upheld. Our investigator felt BHL had correctly reported payment information to the credit reference agencies, had treated Mr V with forbearance and due consideration and had made adjustments where necessary to accommodate his vulnerabilities. Our investigator acknowledged that BHL could have treated Mr V better during some phone conversations, however he felt the compensation offered was satisfactory.

Mr V accepted our investigator's view in the most part, however he explained that he doesn't believe the compensation offered by BHL is enough to recognise the frustration he's experienced and the time he took to recover. So, Mr V has asked that his complaint be referred to an ombudsman for a final 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Having reviewed all the information provided, I've considered the following points to be the main issues raised by Mr V:

1. Following the road traffic accidents and the resultant impact on his health, BHL didn't provide the necessary support he needed during his financial difficulties
2. BHL wouldn't allow Mr V to extend his agreement despite maintaining his monthly repayments
3. BHL gave no regard for his vulnerable position
4. BHL required Mr V to contact them monthly to make his repayments, and every three months to review his financial position, which gave him severe anxiety and stress

The complaint points raised by Mr V has been addressed by BHL in their final response. Our investigator also addressed each of them in their view and concluded that BHL didn't need to do anything more.

BHL issued a response to Mr V in January 2023 which addressed a number of different issues raised. As part of that response, they concluded that they'd waive the remaining balance on Mr V's agreement and close it. They also arranged for Mr V's credit file to be updated to show an arrangement flag to be added from October 2018. And to recognise the instances where they could've provided Mr V with a better service experience, they agreed to pay him £300 in compensation.

In his phone call to us in April 2023, Mr V said When BHL wrote off the remaining balance they didn't admit to anything, Mr V said he believed that BHL were hoping that our service would stop looking into his complaint. Mr V also wasn't happy that BHL failed to ask for his permission to settle the agreement. He believed the issues were being swept under the rug and that BHL didn't care. Mr V said he wanted BHL to admit their mistake and for no one else to be treated like he was.

During the phone call with our investigator, Mr V said that he accepted that our investigator's view was correct, but that he remained unhappy with how BHL treated him when he was at a low point mentally. He felt BHL gave no consideration of his vulnerability. Mr V said he was pushed too hard by BHL at that point.

I acknowledge Mr V has said BHL didn't consult him when they decided to close the agreement in resolution of his complaint, however in the circumstances I don't think BHL were acting unreasonably by doing so. The repayment of the finance agreement was the source of Mr V's complaint, because he was having difficulties in doing so and expected more support from BHL than he received. By removing the agreement and the related balance, I don't see that BHL were acting unfairly. BHL effectively removed the source of the issue and compensated Mr V with the amount outstanding despite Mr V owing it to BHL. So I'm satisfied that BHL's resolution was fair and reasonable in the circumstances.

Having said that, from the phone call with our investigator, I think it's fair to say that Mr V's concerns has evolved from the resolution of his payment difficulties to how he was treated by BHL, and that other consumers are at risk of experiencing the same situation that he has.

So, I've focused the remainder of my decision on that part of Mr V's complaint.

In their Guidance for firms on the fair treatment of vulnerable customers, the Financial Conduct Authority (FCA) says: *"we want vulnerable consumers to experience outcomes as good as those for other consumers and receive consistently fair treatment across the firms and sectors we regulate"*.

It goes on to say: *"The level of care that is appropriate for vulnerable consumers may be different from that for others and firms should take particular care to ensure they are treated fairly"*

Mr V said that he explained his circumstances to BHL, and BHL confirmed this in their final response. The FCA doesn't prescribe in detail what actions a firm should take in relation to specific vulnerabilities, nor can I set out the precise actions that I think BHL should have taken when dealing with Mr V. In the circumstances however, I've considered whether BHL made a reasonable effort to ensure Mr V experienced an outcome as good as if he didn't have a vulnerability.

In addition, the Consumer Credit Sourcebook (CONC), which can be found within the FCA handbook, says that a business must treat customers in default or in arrears difficulties with forbearance and due consideration. CONC 7.3.5 provides some examples which include, suspending, reducing or waiving interest or charges, allowing payment deferrals or accepting token payments.

BHL had a responsibility to ensure the payment arrangements were affordable whilst at the same time ensuring Mr V was afforded the same opportunities as non-vulnerable consumers. Mr V said BHL pushed him to a critically unsafe psychological point. However, I'm not persuaded BHL were responsible for Mr V's mental health. I think it's more likely that it was a result of the physical trauma he experienced after the road accident and subsequent illnesses, as confirmed and described in a letter provided by a medical expert.

BHL's role in all of this was to ensure Mr V was given the appropriate support with repaying his debt with them. From the system notes provided I can see that a number of payment arrangements were put in place to support Mr V, I can also see that regular reviews were carried out with Mr V in order to assess his ability to maintain a repayment plan.

I acknowledge Mr V didn't find some of the support offered by BHL as helpful, and I can see that BHL amended their review period from three months to six months to accommodate a reduce level of contact with him. I think BHL's actions were proportionate and reasonable here. I don't think BHL's approach could be reasonably considered as pressurised, rather I think it was likely to be a responsible approach to ensure the affordability was in place for Mr V.

All things considered, I'm satisfied BHL treated Mr V fairly in light of his vulnerability, and demonstrated forbearance by agreeing to payment arrangements and reviewing Mr V's financial situation on a regular basis.

I acknowledge Mr V's strength of feelings, particularly in consideration of how he said BHL made him feel, and that they need to do more to ensure other consumers do not have the same experience as he did.

We're not the regulator of BHL, so I can't comment on their policies or tell them how to run their business, I can consider whether they've acted fairly when dealing with Mr V in relation to the services provided as part of the finance agreement.

In the circumstances, I think the remedial action taken by BHL was more than what I would have expected in the circumstances of this complaint. I acknowledge Mr V said he hadn't asked them to waive the balance, and that he was willing to continue paying for it; however, in resolution of the issues experienced by Mr V I think BHL's decision to pay compensation in addition to waiving the outstanding balance and amend his credit file are fair and reasonable, so I won't be asking them to do anything more in relation to this complaint.

### **My final decision**

Having thought about everything above, along with what is fair and reasonable in the circumstances, I don't uphold Mr V's complaint about Black Horse Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 25 August 2023.

Benjamin John  
**Ombudsman**