

The complaint

Mr B has complained that he is unhappy about his treatment by Blue Motor Finance Ltd ("Blue Motor") after his car was written off in July 2023.

What happened

Mr B acquired a used Mercedes in August 2019, using a hire-purchase agreement with Blue Motor. The car was nearly five years old. Mr B borrowed £17,619.64 over a term of 60 months, with a monthly repayment of £393.67.

In July 2023 the car was written off. Mr B is unhappy with the level of contact from Blue Motor – in relation to the payments due under the agreement - following this. Blue Motor told him that it may consider legal action against him if it didn't receive the payments, but Mr B didn't think this was fair while his insurance claim was still ongoing.

I should also say that Mr B brought a complaint to this service about the insurer, and its handling of the claim following the car having been written off. This is being looked at separately, so this decision only relates to the actions of Blue Motor.

Mr B complained to Blue Motor, but it said it would not be upholding his complaint. Mr B was unhappy with this, so brought his complaint to this service. Our investigator looked into Mr B's complaint, but didn't think it should be upheld. Mr B didn't agree, and asked for the complaint to be reviewed by an ombudsman.

I issued my provisional decision in December 2023, in which I explained that I was minded to agree with our investigator's conclusions about the complaint, but because further evidence had been provided after our investigator issued his view, I was explaining my reasoning in more detail and giving both parties an opportunity to respond. I asked for any further evidence or information to be sent in by 10 January 2024, but neither party responded to my provisional 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.

I've decided not to uphold Mr B's complaint. I'll explain why.

I set out my reasoning in my provisional decision as follows:

"Blue Motor provided copies of Mr B's hire purchase agreement and its final response letter to Mr B, and has also now sent in its notes of its contact with Mr B over the life of the agreement, the early settlement letter it sent following notification of the car being written off, and details of the recent transactions on the agreement.

Blue Motor said in its final response letter to Mr B that the reason it was contacting him was due to arrears on the finance agreement. It further said that Mr B had told it in June 2023

that he was having financial difficulties, so a payment plan was offered but it didn't receive a response. In July, Mr B told it that the car was a write-off, so it issued an early settlement quote which it said it would honour for 90 days, taking it to 11 October, for the insurance pay-out.

However, I should say here that the early settlement letter says "This quotation was prepared on 13th July 2023 and is valid until 10th August 2023". So even though Blue Motor said it would've honoured the quote for 90 days, this wasn't stated in the letter.

I've looked at the notes that Blue Motor provided, setting out the record of its calls and emails with Mr B. I've no reason to think that the notes are incomplete, and whilst I don't have recordings of the calls, I'm satisfied that there is enough information about the nature and frequency of the contact between Blue Motor and Mr B to allow me to reach a decision.

The notes confirm that Mr B was having financial difficulties before the car was written off, and there were arrears on the agreement. I can see that in June 2023 Mr B had asked Blue Motor about his options in relation to a part exchange to a cheaper vehicle.

A marker was then added to the notes on 6 July 2023, saying that the car had been written off. On 13 July, there's an email from Blue Motor to Mr B, asking for a response to a previous letter about the arrears, and also asking whether it was correct that the car had been written off and whether the insurer was paying out.

There was an email in response saying that Mr B had requested an early settlement figure for his insurance company as it was writing the vehicle off. Blue Motor issued the early settlement letter the same day, and a few days later Mr B emailed to say that that insurer would be in touch with Blue Motor, and he had authorised it to do so.

On 31 July I can see that Blue Motor contacted Mr B by letter, email, and text to ask him to get in touch. Mr B responded to ask why, as the insurer would be contacting Blue Motor. Blue Motor replied, saying that it had not heard from the insurer.

The following day, Blue Motor again tried to get in touch with Mr B, and on 2 August there were conversations between Blue Motor and Mr B recorded in the notes. In summary, Mr B said that he felt Blue Motor was harassing him, and that he was bringing a complaint to this service about the insurer as there was a problem with it paying out. Mr B felt he was not liable for the agreement now that the car was a write-off. Blue Motor explained that the hire purchase agreement was a contractual agreement, and he was still liable for the outstanding balance.

Following this a complaint was logged for Mr B at Blue Motor (and it was at this point that Mr B complained to this service about Blue Motor). As I noted above, Blue Motor subsequently said to Mr B that it was not upholding his complaint.

On 6 September 2023, the insurer contacted Blue Motor to check whether the early settlement quotation was still valid – Blue Motor confirmed that it was. On the same day, Blue Motor noted a conversation with Mr B, in which it said that a personal quote was valid for 28 days and an insurance claim quote was valid for 90 days. So although, as I noted above, the validity period wasn't clear from the letter, it looks as though Mr B was later advised of the correct period.

Having now looked carefully at all of the evidence, I don't think Blue Motor has acted unreasonably here. There were arrears on the account before the car was written off, and as I noted above Mr B was experiencing financial difficulties. Following the marker being added to the account about the vehicle write off, I think it was reasonable for Blue Motor to want to

make urgent contact with Mr B to find out what had happened and establish the way forward. So I think it was fair to try and try to reach Mr B by all available channels at that point.

I do appreciate that it must have been very stressful for Mr B to have to deal with the written-off car and the related insurance claim, at a time when he was already in financial difficulties. But the hire-purchase agreement is a contractual agreement, and he remains liable for the monthly payments until the agreement is settled.

In summary, from the evidence I have, I don't think the nature and frequency of Blue Motor's contact with Mr B was unfair or unreasonable. Whilst I think Blue Motor could have been clearer about the validity period of the early settlement quote relating to the claim, I can see that Mr B was advised of the correct period during a later phone call, as was the insurer, so he hasn't lost out as a result."

I further said in my provisional decision that, as I didn't consider that Blue Motor had acted unfairly, I didn't propose to uphold Mr B's complaint. As neither party has responded to my provisional decision, I have no reason to change my conclusions. Therefore I do not uphold this complaint.

My final decision

For the reasons given above, I've decided not to uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 February 2024.

Jan Ferrari
Ombudsman