

The complaint

Miss A complains about the management and administration by Stellantis Financial Services UK Limited trading as PSA Finance UK ("PSA") of her conditional sale agreement ("agreement").

What happened

In April 2021 Miss A entered into an agreement with PSA for a used car costing £25,999. Under the terms of the agreement, everything else being equal, Miss A undertook to make 60 monthly payments of £557.41 making a total repayable of £33,444.60 at an APR of 10.9%.

In February 2023 PSA terminated Miss A's agreement.

Miss A complained to PSA about its management and administration of her agreement and in particular about its decision to terminate it.

In April 2023 PSA issued Miss A with a final response letter ("FRL"). Under cover of this FRL PSA said it was satisfied that it had done nothing wrong in its management and administration of Miss A's agreement including taking the decision to terminate it.

In June 2023, and unhappy with PSA's FRL, Miss A complained to our service.

Miss A's complaint was considered by one of our investigators who came to the view that it shouldn't be upheld.

Miss A didn't agree and so her complaint has been passed to me for review and 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 can confirm that I've come to the same overall conclusion as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

I'm very aware that I've summarised this complaint above in far less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Secondly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

I note that Miss A disputes the accuracy of PSA's submissions to our service, in particular the accuracy of its very detailed account notes. But I can confirm that I find PSA's submissions to our service to be both plausible and persuasive, particularly in the absence of any documentary evidence from Miss A to the contrary. Therefore, I'm satisfied that PSA's submissions to our service can be relied upon as being an accurate record of what has happened in this case and when.

PSA's administration and management of Miss A's agreement between April 2021 and August 2022

Based on PSA's account notes I can see that during this period PSA granted Miss A two payment holidays (of two months and one month), moved her monthly payment date on at least one occasion and didn't terminate her agreement despite one or more default notices being issued and despite Miss A being late, on several occasions, in making her contractual monthly payment.

PSA's administration and management of Miss A's agreement between September 2022 and December 2022

Based on PSA's account notes I can see that in September 2022 Miss A contacted PSA to say that she was in financial difficulties. But equally I can see that after doing so Miss A failed to constructively engage with PSA further and this failure was despite PSA making numerous attempts, through a number of different 'channels', to contact Miss A.

PSA's administration and management of Miss A's agreement since December 2022

Based on PSA's account notes I can see that on 6 February 2023, after PSA had sent her a default notice, Miss A contacted PSA to say that she would pay £557.41 on 7 February 2023 and send, via a secure link, evidence of her current financial position and circumstances.

On 8 February 2023 Miss A paid PSA £350.00.

On 23 February 2023, and after a number of failed contact attempts, PSA sent Miss A a termination notice.

On 24 February 2023 Miss A contacted PSA to discuss the termination notice she had received.

On 27 February 2023 Miss A contacted PSA to complain about its decision to terminate her agreement. She said as she had paid PSA, on 8 February 2023, £175 and £350 her agreement shouldn't have been terminated.

Having considered what both parties have said and submitted, I'm satisfied that to avoid her agreement being terminated Miss A agreed to, and needed to, pay PSA £557.41 on 8 February 2023, not £525 and not over two dates, for example 8 February 2023 and 14 February 2023.

Miss A submits that she paid PSA £525 on 8 February 2023 (£350 plus £175). But even if I was to accept this is what Miss A did, the fact remains this isn't in line with what I'm satisfied she agreed to pay PSA on 8 February 2023 to avoid termination of her agreement, that being £557.41.

But unfortunately for Miss A the evidence she has provided in support of her submission that she paid PSA £175 only supports that she might have paid it £175 and on 14 February 2023.

So given the above I can confirm that I'm not persuaded that PSA did anything wrong in its administration and management of Miss A's agreement or that it did anything wrong in terminating Miss A's agreement when, and in the manner, that it did. I would also add that I've seen nothing that would lead me to conclude that PSA breached any of its obligations to Miss A. Indeed, taking everything into account, I think that PSA has treated Miss A both fairly and reasonably.

Having said the above I would remind PSA of its obligations to treat Miss A, where she is in financial difficulties, with due consideration and forbearance and of its obligations to assist Miss A in trying to locate, if it's still lost or unaccounted for, the £175 she says she paid it.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 8 December 2023.

Peter Cook
Ombudsman