

The complaint

Mr M says that Clydesdale Financial Services Limited, trading as Barclays Partner Finance (who I'll call BPF) made mistakes when calculating an early settlement quote.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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 can understand Mr M's frustration here as I don't think BPF's final response clearly set out how they calculated the early settlement figure. However, I'm not persuaded I have sufficient evidence to suggest the early settlement quotation was wrong. I'll explain.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

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.

Mr M has looked at the terms of his finance agreement with BPF and he's pointed out that with regard to repaying early they say:

"If you repay all of the loan after repayments have started, or some of the loan at any time, we will charge you interest up to the settlement date (which is 28 days after you tell us you want to repay the loan early or any later date you tell us you want to repay some or all of the loan) plus a further calendar month's interest. We will charge interest at the rate which applies to your loan amount at the time you make the payment."

He can't understand why the rebate he was quoted is so low and he's provided a breakdown of what he thinks should have been rebated given the terms that were being applied and the amount of interest that has been charged on the account.

The Consumer Credit Act covers several areas of consumer credit including the content and form of credit agreements and the procedures relating to default, termination, and early settlement. In relation to early settlement the Consumer Credit Act says that settlement figures should be calculated using the rules set out in the Consumer Credit (Early Settlement) Regulations 2004. These terms aren't explicitly referred to in the credit agreement but there's a balance to be struck between defining and explaining each and every term of a contract and keeping a contract to a reasonable length. BPF didn't refer to those Regulations when they provided their final response to Mr M either and I think that

may have helped him to understand how the rebate had been calculated. But when they provided their early settlement quote I can see they did explain the quote had been calculated in line with those Regulations.

The rebate calculation is a complicated one. It's set out in section 4 of those Regulations and examples are provided to illustrate its application. Our Service wouldn't usually calculate or check the rebate: we'd expect the business's auditors to do that, and we understand that the calculation is automated. I can't see that Mr M has applied that calculation either and, on balance, while I think BPF could have done a better job of explaining things, I'm not persuaded I have sufficient evidence to suggest they've done anything wrong, and I'm not asking them to take any further action.

My final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 January 2024.

Phillip McMahon
Ombudsman