

The complaint

Mr T complains about the sum of £2,367.24 he has had to pay Clydesdale Financial Services Limited trading as Barclays Partner Finance ("BPF") – under a conditional sale agreement ("agreement") – after he had been led to believe he owed it nothing further.

What happened

In March 2019 Mr T entered into an agreement with BPF for a new car costing £77,300. Under the terms of the agreement, everything else being equal, Mr T agreed to make an advance payment of £10,880 and 48 monthly payments of £756.08 followed by the return of the car.

Under the agreement Mr T agreed to the following term:

"if you decide to return the vehicle to us you will not have to pay your final repayment [of £36,150] (but you will need to pay extra costs if the vehicle has not been kept in good and serviceable repair and if you go beyond the mileage set out in your agreement)"

On 9 December 2022 BPF advised Mr T the options open to him now his agreement was coming to an end. This included the option to return the car with nothing further to pay except for damage to the car deemed beyond reasonable wear and tear and for miles travelled in excess of 10,000 a year.

On 25 April 2023 Mr T called BPF and was advised by it that his agreement had been marked as settled (with nothing further to pay).

On 25 April 2023 BPF confirmed to Mr T by email that his final agreement payment had been received and his agreement had been marked as settled.

On 2 May 2023 BPF sent Mr T an account summary showing a closing balance of £0.

On 18 May 2023 the car was sold at auction.

On 6 June 2023 BPF sent Mr T a demand for £2,367.24 in respect of 17,818* excess miles travelled calculated as follows:

○ 10,000 miles @ 8 pence per mile	£800.00
○ 7,818 miles @ 15 pence per mile	£1,172.70.
○ sub-total	£1,972.70
○ VAT @ 20%	£394.54
○ Total	£2,367.24

* 57,828 returned mileage less 10 delivery miles less 40,000 allowable agreement miles

On 8 June 2023 Mr T called BPF.

On 26 June 2023 Mr T called BPF.

On 26 June 2023 BPF issued Mr T with a final response letter ("FRL"). Under cover of this FRL BPF said the sum of £2,367.24 was payable, but for the poor service it had provided to date it was prepared to pay £50 in compensation.

On 26 June 2023 BPF paid Mr T £50.

On 27 June 2023 Mr T called BPF.

On 4 July 2023 Mr T called BPF.

On 5 July 2023 BPF wrote to Mr T to say it had nothing further to add to its FRL dated 26 June 2023.

Between 10 and 14 July 2023 Mr T called BPF on a number of occasions.

On 15 July 2023 Mr T paid BPF £2,367.24.

Mr T's complaint was considered by one of our investigators who came to the view that having paid Mr T £50 BPF need do nothing further.

Mr T didn't agree and so his 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 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 appreciate Mr T's frustration on being advised by BPF on 6 June 2023 that he owed it £2,367.24 when he had been told by it on 25 April 2023 (by phone and email) and on 2 May 2023 (by post) that he owed nothing further under the agreement.

I also appreciate Mr T's point that BPF didn't necessarily need to wait until after the car had been sold at auction to confirm an excess mileage charge was payable by him and what that charge was or was likely to be. But equally, I'm satisfied that Mr T would have been aware in March 2019 (when he took out the agreement) and in December 2022 (when BPF advised him of his end of agreement options) that an excess mileage charge might be payable by him and what that charge (in broad terms at least) might be.

Given what I say above and having listened to a number of recordings of calls that took place between Mr T and BPF between 25 April 2023 and 14 July 2023 I can confirm that I'm satisfied that the £50.00 paid by BPF constitutes appropriate compensation in the particular circumstances of this case. And for the avoidance of doubt, I would add that having listened to these calls I'm satisfied that BPF acted professionally on every occasion.

For the sake of completeness I would also add that I'm satisfied that BPF's communications with Mr T on 25 April 2023 and 2 May 2023 didn't prevent it from seeking the recovery from him of the excess mileage charge of £2,367.24 on 6 June 2023.

Also, and for the avoidance of doubt, I can confirm that I'm not persuaded that Mr T's decision to acquire a new car was as a result of his understanding that he owed BPF nothing further in respect of his 'settled' agreement. I say this given, amongst other things, the new car order form Mr T has kindly submitted to our service is dated 19 April 2023, six days before he was first advised by BPF on 25 April 2023 that he owed it nothing further.

My final decision

My final decision is that Clydesdale Financial Services Limited trading as Barclays Partner Finance having paid Mr T £50.00 it need do nothing further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 1 December 2023.

Peter Cook
Ombudsman