

## The complaint

Miss C complains that Harvey & Thompson Limited trading as H & T Pawnbrokers (H&T) sold her jewellery under a loan agreement.

## What happened

Miss C had five loan agreements running with H&T which I set out:

No.	Loan	Term	Start	Expiry	Security 'Pledge'
1	£450	6 months	6 March 2023	3 September 2023	Bracelet
2	£257	6 months	9 May 2023	9 November 2023	Chain necklace
3	£115	6 months	26 August 2023	26 February 2024	Earrings
4	£1,650	6 months	11 November 2022	11 May 2023	Two bangle sets
5	£700	6 months	30 December 2022	30 June 2023	Bangle

Miss C's complaint is about loan number 5. She didn't repay the loan by the due date and H&T sent the item to auction on 7 September 2023. It was sold online on that day for £1,193.95 (net of costs). The loan amount then due was £1,218.95 (after adding daily interest between the end of the contract and the sale date), leaving a deficit of £25. H&T had written to Miss C on 9 August 2023.

Miss C complained. She said H&T had sold the item without her consent and without advising her. She says she went to the branch of H&T to explain her situation and was told she had until 7 October 2023 to redeem her loan or renew her pledge. She says the item of jewellery had a great deal of sentimental value to her and she wants H&T to get the item back or compensate her.

In their final response to Miss C, H&T said she had until 30 June 2023 to renew the loan or redeem her items (i.e. repay the loan) and was advised of the sale in a letter dated 9 August 2023. The final response said the item would be sent for sale on 14 September 2023, and Miss C had until 13 September 2023 to pay.

As a gesture of goodwill, H&T called the other items back from the auction sale (which related to loan 4).

Miss C brought her complaint to us. Our investigator didn't uphold it. She said the agreement for loan 5 was clear – Miss C had until 30 June 2023 to repay or renew the loan but didn't.

H&T had sent Miss C a letter which said what she needed to do to prevent the item being sent to auction.

Our investigator could see that H&T had tried to call Miss C before the auction, without success. And while Miss C had visited the branch, there wasn't anything to confirm what was discussed or agreed.

Miss C asked that an ombudsman look at her complaint, and so it has come to me.

### **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 was sorry to learn of the stress and upset this had caused Miss C – but to be clear, let me say that we are not a consumer group – we don't take sides. We are independent and impartial and our role is to listen to both sides of a complaint, take evidence from both parties, and then decide on a fair and reasonable outcome.

In the loan agreement, it's clearly set out that for loan 5, Miss C had to pay off the loan by 30 June 2023 – the amount due was £700 plus interest of £376.29 - £1,076.29. The agreement says that if that didn't happen “..it (the item) may be sold by the Pawnbroker...” It also said H&T must give 14 days' notice of the intention to sell, and daily interest was £2.07.

H&T wrote to Miss C on 9 August 2023 and the letter said “*your agreement expired on 30 June 2023 and the goods are now due to be sold at auction...on 7 September 2023. The asking price ...will be £1,218.95*”. So – H&T gave Miss C 30 days' notice of the sale.

And the sale took place on 7 September 2023 for £1,193.95 net of costs.

Miss C says she visited the branch of H&T and I looked at H&T's notes. There is a note recorded which says she called the firm and said she would visit the branch on 4<sup>th</sup> or 5<sup>th</sup> September 2023 – but then nothing is on record to say she did so. There is a record of two calls from H&T to Miss C on 5 September 2023, but there was no answer. There is a further note to say she would visit the branch on 7 October 2023, but again nothing is recorded – suggesting she didn't visit the branch. So, I don't have any evidence that Miss C came to any agreement with H&T about the loan before the items were sold.

I asked why there was a difference between the date quoted in H&T's final response and the dates on the pre-auction letter. The final response said Miss C had until 13 September 2023 to repay or come to an arrangement, and the pre-auction letter quoted 7 September 2023. H&T said this was due to human error.

I further considered this to see if Miss C had suffered any loss as a result. But as the final response was sent to Miss C on 7 February 2024 – this was some time after the sale, and so it didn't have any effect on the outcome. The important letter as regards the loan and the sale was the pre-auction letter dated 9 August 2023 – which did quote the correct dates.

But, in summary, I'm satisfied that H&T acted in line with the loan agreement signed by Miss C and gave her written and sufficient notice of the intention to sell. There is no reference to visits by Miss C to the branch of H&T where she may have come to a different agreement with the firm.

On that aspect, H&T accepted that someone advised her she had until 7 October 2023 to deal with the loan. And as a gesture of goodwill, pulled back some other items sent for sale (which were part of loan agreement number 4). Because Miss C had received notice in writing, I don't consider the conversation overrode the letter – and so I think H&T's apology and gesture of goodwill is sufficient here.

So, while I can see that Miss C feels strongly about her complaint, I am not asking H&T to do anymore here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 6 August 2024.

Martin Lord  
**Ombudsman**