

The complaint

Miss R complains that Secure Trust Bank Plc, trading as Moneyway, have been unreasonable to terminate her finance agreement with them.

Miss R has been represented by her son in this complaint. As Miss R is the account holder I have only referred to her in this decision. I mean no disrespect to her son when doing so.

What happened

Miss R took receipt of a car in October 2022. She funded the deal through a hire purchase agreement with Moneyway.

In June 2024 Moneyway terminated the agreement as they said Miss R had broken its terms. They noted that her son was registered as the keeper of the vehicle, and not her, and that when she applied for credit, she had told the broker she had a full driving license when that wasn't the case.

Miss R referred a complaint about that to this service. Our investigator didn't think Moneyway had been unreasonable. He noted that the terms and conditions of the finance agreement didn't allow Miss R to transfer the car while the agreement was running and that she needed to remain the registered keeper. In those circumstances, he didn't think Moneyway had been unreasonable to terminate the agreement.

Miss R disagreed and asked for a final decision by an ombudsman.

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 know it will disappoint Miss R, but I'm not upholding this complaint. I'll explain why.

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.

Miss R acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

Section 5 of the finance agreement explained:

"5. Use of the vehicle

g) you, and any person authorised to use the vehicle, must hold a valid driving license.”

It's not disputed that Miss R doesn't have a driving license, nor has she tried to dispute Moneyway's suggestion that she said she held a full UK license when she completed the application form for finance. In those circumstances I don't think Moneyway were unreasonable to decide there had been a breach of contract.

Section 4 of the agreement explained:

“4. Selling or disposing of the vehicle

[...] You may not sell or dispose of the Vehicle or transfer your rights or obligations under this agreement.”

Miss R has explained that her son was registered as the keeper of the vehicle from the outset, and it seems she may have been given that advice by the dealership. I don't think it's necessary for Miss R to have a full UK license in order to be registered as the keeper of the car. The registered keeper is the person responsible for taxing the car and keeping it insured, and ensuring it complies with legal requirements such as the MOT. But they may not, necessarily be the person who drives the car. However, the terms of the agreement explained that:

“5 (k) (the car) must remain in your possession at all times”

And I don't think that can fairly be said to be the case when it was Miss R's son, and not Miss R who was the registered keeper and the driver of the car.

So, I don't think Moneyway were unreasonable to suggest there had been a breach in that respect either. In those circumstances section 15 of the finance agreement says:

“15. Our right to end the agreement and your liability upon termination

a) We will assume that you refuse to comply with this agreement, and we will be entitled to end it [...]

(i) if you break any terms of this agreement [...]”

I don't think it was, therefore, unreasonable for Moneyway to terminate the contract.

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 Miss R to accept or reject my decision before 10 January 2025.

Phillip McMahon
Ombudsman