

## **complaint**

Ms U complains that Black Horse Limited is wrongly requiring her to pay the balances payable under two hire purchase agreements, which she says she does not owe.

## **background**

It appears that Ms U entered into two hire purchase agreements for motor cars, the first, in November 2007, and the second in April 2008. Each agreement required monthly instalments to be paid over some four years. In each case, instalments were paid from Ms U's bank account by direct debit.

However, in 2014, Ms U made a claim to her bank under the Direct Debit Guarantee, asking for all the direct debit payments she had made in respect of the two agreements to be returned. She said that she had not been notified in advance of each payment, or signed any direct debit mandate. Her bank claimed the payments from Black Horse Limited, to which the agreements had been transferred, who refunded them to Ms U's bank.

Black Horse Limited then wrote to Ms U pointing out that under the terms of the agreements, she still owed the payments, and these were now overdue. Ms U disputed this and brought the present complaint to this service.

Our adjudicator did not recommend that this complaint should be upheld. Ms U had recalled all the payments made through her bank towards the hire purchase agreements. This meant she had not now made the payments required under the agreements. He had forwarded her the documents she signed at the time, from which he was satisfied she had entered into the agreements and agreed to make the payments.

Ms U had borrowed the finance to acquire the two cars, and he considered it was reasonable that she repay this. Black Horse Limited had taken over the agreements, so it was entitled to require her to repay the money.

Ms U responded to say, in summary, that she did not agree that she owed Black Horse Limited anything. She also said that, for her complaint to be considered fairly, she must know the evidence that has been given, and what statements have been made affecting her, and then she must be given a fair opportunity to contradict them.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. As the adjudicator has said, our rules require me to decide Ms U's complaint by reference to what I consider to be fair and reasonable, having regard to, amongst other things, relevant law.

Black Horse Limited says that Ms U signed the hire purchase agreements for the two cars. She has had the benefit of the two cars, and the finance for them. Because she has reclaimed the payments she made through her bank, Black Horse Limited, which took over the agreements, has not been paid the amounts she agreed to pay under the agreements. These amounts are now overdue, and Black Horse Limited says Ms U must now pay the amounts to it.

The adjudicator sent Ms U copies of the documents she signed at the time, and copies of her personal identification which she supplied when she entered into the agreements. Like the adjudicator, I am satisfied that she signed the agreements, and had the benefit of the

finance provided under it. So I consider she has an obligation to pay to Black Horse Limited the amounts set out in the agreements she signed.

Ms U claimed back from her own bank the amounts taken from her bank account by direct debit. She did so under the technical provisions of the Direct Debit Guarantee. However, that Guarantee is limited to the mechanism of making payments by direct debit. The refunding of direct debit payments does not alter her basic obligation under the agreements she signed to pay the instalments and other amounts set out in the agreements.

I also note that Ms U has on several occasions been shown the evidence on which Black Horse Limited relies, and has been given the opportunity to counter this if she wishes. However, I am not persuaded that she has done so in anything she has said or provided.

**my final decision**

For the reasons I have set out above, my decision is that I do not uphold this complaint, and make no order against Black Horse Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms U to accept or reject my decision before 13 March 2015.

Lennox Towers  
**ombudsman**