

## The complaint

Mr A complains that a car that was supplied to him under a hire purchase agreement with Oodle Financial Services Limited, trading as Oodle Car Services, was mis-sold to him.

## What happened

A used car was supplied to Mr A under a hire purchase agreement with Oodle Car Finance that he electronically signed in June 2019. The car was initially insured under a group policy but when that policy ended and Mr A tried to insure the car he was told that it was imported so the insurance cost would be substantially higher than if it hadn't been imported.

Mr A complained to Oodle Car Finance that the car had been mis-sold to him because he'd been told that the hire purchase investigation check on the car was clear before it was supplied to him. Oodle Car Finance arranged for the dealer to contact him and it said that the car hadn't been imported.

Mr A wasn't satisfied with its response so complained to this service. Our investigator recommended that his complaint should be upheld. She was satisfied that the car was an import and said that by advertising the car as "*HPI clear*" a false statement was made by the dealer. She said that Mr A was unable to insure the car so he couldn't use it and she recommended that Oodle Car Finance should accept his rejection of the car. She said that it should: end the agreement; collect the car; remove any adverse information from Mr A's credit file; and return any payments made by Mr A after April 2020.

Oodle Car Finance has asked for this complaint to be considered by an ombudsman. It says that it's contacted the manufacturer of the car and the DVLA and that:

- the car was manufactured overseas in 2011 and then brought to the UK for sale when it was registered in the UK;
- the car was bought by a purchaser who lived overseas in May 2012 and it was registered overseas;
- the car was brought back to the UK and the original registration was put back on; and
- the car has been registered and used overseas but that doesn't mean that it was imported.

## 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 agree with the conclusions reached by the investigator for these reasons:

- I haven't been provided with the dealer's advert for the car but Mr A says that it confirmed that the car was "*HPI clear*" and neither the dealer nor Oodle Car Finance has said that the car wasn't advertised as "*HPI clear*";

- there doesn't seem to be any dispute that the car has been registered and used overseas and both Mr A and Oodle Car Finance have provided results from HPI checks which show that the car was imported or had been previously registered overseas;
- I consider that it would be fair and reasonable to expect that a car that was advertised as "*HPI clear*" hadn't been imported or registered overseas - and I'm persuaded that it's more likely than not in these circumstances that the dealer misrepresented the car to Mr A before it was supplied to him by saying that it was "*HPI clear*" when it had been registered overseas;
- Mr A has provided evidence to show that the cost of insuring the car is substantially higher than it would be if the car had only been registered in the UK and I consider it to be more likely than not that he wouldn't have entered into the hire purchase agreement or agreed for the car to be supplied to him if he'd known that the car had been registered overseas; and
- I find that it would be fair and reasonable in these circumstances for Mr A to be able to reject the car.

### **Putting things right**

I find that Oodle Car Finance should end the hire purchase agreement and arrange for the car to be collected from Mr A – both at no cost to him. I also find that it should remove any adverse information about the agreement that it's recorded on Mr A's credit file.

Mr A was able to use the car between June 2019, when it was supplied to him, and April 2020, when the insurance policy ended, and he says that he hasn't been able to use it since then. Mr A didn't pay a deposit for the car and I find that it's fair and reasonable for Oodle Car Finance to keep the monthly payments under the agreement for the period up to the end of April 2020 as payment for the use that Mr A has had from the car. But I find that it would be fair and reasonable for it to refund to him any monthly payments that he's made for the period after the end of April 2020.

### **My final decision**

My decision is that I uphold Mr A's complaint and I order Oodle Financial Services Limited, trading as Oodle Car Finance, to:

1. End the hire purchase agreement and arrange for the car to be collected from Mr A – both at no cost to him.
2. Refund to Mr A any monthly payments that he's made under the agreement for the period after the end of April 2020.
3. Remove any adverse information about the agreement that it's recorded on Mr A's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 April 2021.

Jarrold Hastings  
**Ombudsman**