

### The complaint

Ms G complains that car finance arranged by Sytner Limited (acting as credit broker) was mis-sold, when she acquired a used car from a third party lender.

### What happened

Ms G took out this finance in 2015 in the form of a hire purchase agreement (HPA) - of the sort that's also commonly referred to as a personal contract purchase or PCP. One of the features of this type of finance is the borrower has the option to purchase the car at the end for a Guaranteed Future Value (GFV) (sometimes called a "balloon payment") which, in this case, was almost £10,000.

When the PCP ended in 2018, Ms G was upset to find she didn't have as much "equity" as she expected in the car. She'd part-exchanged an existing vehicle when she took out the PCP and used the £9,000 trade in value as part of the deposit. She says, when the PCP ended, staff at the dealership told her she should never have put down such a large deposit and there were issues with the salesperson that arranged the finance in 2015.

Ms G feels the PCP was mis-sold in that :-

- she felt pressured to sign the agreement and buy extra products;
- she did so without discussing it properly – she never spoke to anyone from Sytner's finance department;
- she should have been told she'd pay more overall if she put down such a large deposit;
- she was misled simply to get the deal done by the end of the month; and
- she should have been advised about other more appropriate finance options.

Ms G wants Sytner to refund the difference between the deposit she paid and any corresponding increase in monthly payments if she hadn't put down such a large deposit. By way of example, she thinks her payments would only have increased by about £150 a month if she'd put down about £2,000 - so she'd be nearly £5,000 better off overall.

Sytner doesn't agree the finance was mis-sold. It says this was not an advised sale and Ms G wasn't mis-led. She was given all the information she needed in order to decide if the PCP suited her needs and it was up to her to consider this before she signed the agreement.

One of our investigators considered the evidence. She couldn't be certain what was said at the relevant time so she looked at the paperwork supplied to Ms G. This includes a Demands & Needs Questionnaire (DNQ) and other pre-credit contract information (PCCI) along with a Status Disclosure Document (SDD) - that explained Sytner wasn't independent and didn't provide advice – as well as the PCP itself. She was satisfied that Ms G had enough time and information to decide if the PCP suited her needs before she took it out. And she considered it was clear from the paperwork that it would cost nearly £10,000 if Ms G wanted to keep the car at the end. She wasn't persuaded Sytner did anything wrong and didn't recommend the complaint should be upheld.

Ms G was unhappy with that outcome. She said she didn't receive the DNQ until after the sale, she had no contact with Sytner's finance department, other finance options weren't discussed or quoted, she wasn't told she should take independent advice and paperwork was still being sent to her months after the sale. Ms G supplied an email Sytner sent in June 2015 containing the finance documents. She also sent us several finance quotes showing calculations based on different deposit amounts. She said the GTV remains the same no matter what size of deposit is paid – so the GTV in her PCP wouldn't have changed and she'd be better off if she'd paid a lower deposit. She feels she should have been told to put down a smaller deposit or given alternative funding options at the outset.

The investigator considered the additional information but this didn't change her view. She's satisfied the June email relates to insurance, not car finance. She acknowledged the DNQ is dated a few days after the sale but she thought it was reasonable to expect Ms G to have raised concerns at the time if she didn't receive the information referred to. She considered the calculations Ms G supplied. She wasn't persuaded Ms G was necessarily worse off financially because she paid a large deposit. She thinks the monthly payments would have increased if a lower deposit was paid so Ms G would have needed to borrow more incurring additional interest and increasing the total amount payable.

Ms G asked for an ombudsman to review the matter. She thinks the investigator gave Sytner the benefit of the doubt where there was any ambiguity or lack of documentation – which is particularly unfair because she feels Sytner should have maintained better records.

### **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 can see that Ms G has strong feelings about this matter. I want to assure her that I've considered carefully everything she's said and sent to us. If I don't address every point she raised that doesn't mean I haven't thought about it - I have. But, I'm going to focus in this decision on what I think are the key facts and issues necessary to reach a fair and reasonable outcome. The rules that apply to our service allow me to do this and it reflects the informal nature of the dispute resolution we provide.

It's clear that Sytner and Ms G have different views about what happened when she took out this PCP in 2015. The conversations between Ms G and the salesperson weren't recorded in any way so I can't be certain what was said exactly. Where evidence is incomplete, inconclusive or contradictory like this, I reach my decision on the balance of probabilities. In other words, what I consider is *most likely* to have happened in light of the available evidence and the wider circumstances.

I think it's reasonable to look at the paperwork provided to Ms G at the time she took out the PCP in this situation - as that's likely to provide the best evidence of what the parties agreed. I've read the PCP agreement Ms G signed. I think this sets out reasonably prominently (on the first page) the price of the car, the amount Ms G was borrowing, how much she had to pay back, the size of her monthly payments, the length of the agreement, how much she'd have to pay if she wanted to keep the car at the end and her right to withdraw from the finance if she changed her mind (within a limited period).

I've also seen other paperwork that Ms G signed - to confirm that she'd received a pre-contract explanation (PCE) and PCCI before she signed the PCP. I'm satisfied these documents would have drawn Ms G's attention to the key terms and conditions of the finance. I can see that Ms G also signed the DNQ to acknowledge that she'd received the

SDD, seen the finance summary, had all the finance products available explained and decided to take out this particular form of finance.

I accept the DNQ seems to have been signed and dated a few days after the PCP. But, if this document was inaccurate - or Ms G hadn't received the additional information it refers to - I think it would have been reasonable for her to say so at the time. Ms G has a legal background so she's likely to appreciate the significance of signing such documents. I've seen nothing to show that she raised any issue about missing paperwork around the time she took out the PCP. And, on balance, I find it more likely than not she was provided with this information.

I'm satisfied the SDD explained that Sytner wasn't an independent financial adviser and it could introduce only a limited number of lenders who provide a range of products that might be suitable. I think Sytner's role here was to inform Ms G about suitable products, explain the key features and provide enough information to enable her to decide if she wanted to proceed. And I'm not persuaded Ms G should reasonably have been misled about that.

I think it's reasonable to expect any borrower to check the key terms before taking on this sort of financial commitment - even if they don't read every single paragraph. And, having considered all the available evidence - including the paperwork signed by Ms G and what she told us about the sale - I find she had enough information to make an informed decision about whether this PCP was the right product for her.

I'm satisfied a PCP provided some flexibility - in that Ms G had the option to return the car with nothing further to pay if its actual value at the end was less than the GTV - or, if the value was higher, Ms G would have been able to put any equity towards another car. And I can't fairly conclude that this PCP was unsuitable for her, on the evidence I've seen.

I realise Ms G feels strongly that putting down such a large deposit was a mistake and she's lost out financially. I can't be certain what the precise impact of a smaller payment might have been - I think there are a number of variables that could have been affected by the size of deposit paid. I accept the amount of deposit would not however have reduced the price of the car (at the outset) or the GTV - these would have stayed the same. And it's difficult to see how Ms G could have avoided borrowing more had she paid a lower deposit - which would, in turn, likely have increased the amount she had to repay under this finance, overall.

Ultimately, I think it was a matter for Mrs G to decide how much she wanted to pay by way of deposit in this situation. I understand she was disappointed when she found out the car wasn't worth as much as she hoped at the end of the agreement - so, in effect, she didn't have the equity she wanted. But, I think she was made reasonably aware at the outset that such equity was not guaranteed.

Taking everything into account, I can't reasonably conclude that this finance was misrepresented and I'm not persuaded there are sufficient fair and reasonable grounds to uphold this complaint. I realise this decision is likely to come as a disappointment to Ms G, because it's not the outcome she wanted. But, she's not obliged to accept what I've said, in which case it remains open to Ms G to pursue the matter by any other means available.

## **My final decision**

For the reasons I've explained, my decision is I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 29 July 2021.

Claire Jackson  
**Ombudsman**