

The complaint

Mr C complains that a car acquired with finance from Mercedes-Benz Financial Services UK Limited was registered to him before he acquired it. He's also unhappy that he hasn't received extras he purchased with the agreement.

What happened

In April 2018 Mr C was supplied with a car and entered into a hire purchase agreement with MBFS.

Mr C is unhappy because he believes the car was registered to him in February 2018 before he acquired it. He feels that he's missed out on two months' worth of benefits and that the car is worth less because it was registered two months earlier. Mr C is also unhappy because he didn't receive extras he purchased as part of the agreement including a 36-month warranty, a 36-month European support package and 12 months road fund licence.

Mr C complained to MBFS. He said the supplying dealer registered the car without his approval.

In response, MBFS said that the finance documents stated the registration date of the car as February 2018 and that Mr C was aware of this date at the point of supply.

Mr C remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. He said the finance agreement stated the date when the car was first registered, and he didn't think it was unreasonable to expect Mr C to have read the agreement before signing it.

Mr C didn't agree. He said he hadn't received what he'd been promised or what he paid for. He said the car was registered to him in February 2018 without his authority and without him having paid a deposit or entered into the agreement. He said when the car broke down in Italy, he was left stranded because the vehicle wasn't on the Mercedes system. He said he'd provided the supplying dealer with an invoice for a battery, but it had refused to reimburse him because it wasn't a Mercedes battery.

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've looked at the finance agreement. This clearly states that the car was first registered in February 2018 and that it had 150 miles on the odometer at the point of supply. I would expect a consumer to read an agreement before signing it. So I think Mr C was aware – or ought to have been aware – of the date of the car's first registration. It was then up to Mr C as to whether he was happy to proceed with the agreement or not. I can see that Mr C signed the agreement and agreed to be bound by the terms and conditions.

Mr C has said that the car was registered to him before he entered into the finance agreement. I haven't seen any evidence to suggest that this was the case. What I can say is that it would've been the supplying dealer who was responsible for registering the car on the DVLA database, because a brand-new car isn't allowed to leave a dealership without being registered. Once registered, the DVLA will send a V5 certificate to the registered owner. If Mr C is correct about the supplying dealer registering the car in his name in February, around 2 months before he entered into the finance agreement, then he would have received a V5 document in the post, which would've alerted him to the registration of the car in his name. Mr C hasn't said that this happened. I think its more likely that the supplying dealer registered the car to itself before it entered negotiations with Mr C.

I've also considered the other aspect to Mr C's complaint which is about extras he says he purchased with the car which he hasn't received. I've thought about whether there has been a misrepresentation here.

In order to find that there's been a misrepresentation, I would need to be satisfied that the supplying dealer made an untrue statement of fact which induced Mr C to enter into the contract. In order to find a breach of contract, I would need to see evidence that the supplying dealer didn't do something it was meant to do under the terms of the contract.

There aren't any notes of the discussions between Mr C and the dealer. Because I wasn't present, I can't be certain of what was said. In circumstances like this, I need to look at the contemporaneous documents and decided what's most likely to have happened. I've looked at the vehicle order form provided by Mr C, but I can't see that it makes any reference to road tax or a warranty or European cover. I've reviewed the available emails between the dealer and Mr C, but I can't see any reference to these extras. I've also looked at the finance agreement but similarly, it doesn't mention any of these items. I have seen, in correspondence from MBFS, a reference to Mr C's complaint that he hasn't received a warranty. MBFS has explained to Mr C that he needs to take this up with the manufacturer via the dealership, as the warranty isn't something the MBFS are responsible for. In conclusion, and on the basis of the information available to me, I'm unable to say that there's been a breach of contract.

Taking everything into account, and whilst I appreciate Mr C's strength of feeling about this, I'm unable, on the basis of the evidence provided, to say that MBFS has done anything wrong here. So, I won't be asking them to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 October 2021.

Emma Davy
Ombudsman