

The complaint

Mr A complains that when he took out a finance agreement with Moneybarn No. 1 Limited ("Moneybarn") he was told the interest rate could be reduced if he made payments to plan. He's unhappy that hasn't proven to be the case.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my reasons for my decision.

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 Mr A, but I agree with the investigator's opinion. Please let me 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.

Mr A acquired his car under a conditional sale agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

Section 56 of the Consumer Credit Act (1974) explains that finance providers are liable for what they say and for what is said by a credit broker or a supplier before the consumer takes out the credit agreement. So, if Mr A was told something that was false by the broker, or by Moneybarn, when he negotiated the finance, and if he wouldn't have proceeded had it not been for that false statement, I would think the agreement had been misrepresented to him and I'd ask Moneybarn to take some action.

Mr A says he was told the interest rate could be varied on his agreement after a few years if he kept up with payments and that if he hadn't been told that he wouldn't have proceeded.

Unfortunately, I've not been provided with any evidence that Mr A was told that. Moneybarn haven't been able to identify the call and Mr A hasn't been able to explain when the call was made to make that task easier for them. Mr A has asked me to listen to the call when he made his complaint to Moneybarn and in which he says they promised the calls would be available. But I don't think that call would be helpful. It wouldn't provide the necessary evidence, that Mr A was told the interest rate would vary. That could only be provided by the broker if that's how (as seems likely) the agreement was reached with Mr A; or by Moneybarn and they can't locate that information.

The contract explained that “*The interest rate is fixed and applies throughout the duration of this Agreement*”. So, in the absence of any more detailed evidence to the contrary I don’t think it would be fair to suggest it was mis-sold to Mr A.

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 Mr A to accept or reject my decision before 28 July 2022.

Phillip McMahon
Ombudsman