

## **The complaint**

Mr H is complaining that Tom Hartley Cars Limited ("Tom Hartley") gave him wrong information when brokering finance for him to acquire a car.

## **What happened**

Mr H was looking to acquire a car in late 2021 from Tom Hartley. He was looking to acquire it through a finance agreement for his business, not in his personal name.

The finance company in question asked for his personal details as a guarantor, and Mr H says that Tom Hartley told him that this was "standard across the industry" and would always happen.

Mr H discovered shortly afterwards that this wasn't true and went on to secure finance in his business name, without needing a personal guarantee. He complained in early 2022 to Tom Hartley about the wrong information he was given, but they don't appear to have responded to his complaint at all, so he brought the complaint to our service.

An investigator here was also not able to get any response from the business about the complaint, so gave their view that the emails provided by Mr H showed some wrong information had been given to him during the negotiations. However, they explained to Mr H that whilst he wanted us to take punitive action against Tom Hartley for not complying with FCA regulations, this wasn't within our remit. The investigator recognised the distress and inconvenience caused to Mr H and said the business should pay Mr H £100 to recognise this.

Mr H accepted this outcome, but Tom Hartley didn't respond to it, so the case has been passed to me to issue a final 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.

The first thing I've done is to consider whether this is a complaint we have the jurisdiction to consider. No regulated activity has taken place, as Mr H has withdrawn from the process of the finance agreement before taking it out. I am satisfied however that Mr H is a potential customer, and this was a prospective credit agreement. This means that I can consider the actions carried out by the Broker as part of the negotiations, and whether they were fair and correct.

Mr H has told us that he was surprised when he discovered the finance company wanted him to be the personal guarantor for the finance agreement. When he queried this with Tom Hartley, they told him in an email he's sent us that:

*"you also were complaining about the information the finance company are requesting such as a personal guarantee, which is standard in the industry".*

Mr H complained about this statement, alongside concerns he raised about the complaint handling procedures of Tom Hartley. As the investigator here explained to Mr H, complaint handling is not a regulated activity, so we can't make any findings about that.

However, credit broking is a regulated activity, so I have looked at the service and information provided to Mr H to consider whether anything has gone wrong here. Mr H has told us that he felt the statement above meant that he would have to provide a personal guarantee wherever he got the finance from, so he was concerned when he discovered this wasn't the case.

Tom Hartley have not responded to our requests for information about the conversations or the credit broking process they undertook. As such, I have to base my decision on the evidence available.

Mr H took the above statement in an email sent to him to mean that all applications like his would always require a personal guarantee, so was upset and angry when he discovered this was not the case. I think it's reasonable that he would come to that conclusion from the email, so I agree, he was given incorrect information.

Without communication from Tom Hartley, it's difficult to know whether this was a simple misunderstanding, where they just haven't been very clear in their email. They could have clarified this with Mr H, but it seems that the relationship broke down when Mr H wanted to complain about their service, and they've not responded to him or us any further about this complaint.

As already mentioned, I won't be commenting on the complaint handling service provided by Tom Hartley or making any findings in relation to that. Similarly, Mr H is aware that it's not the role of this service to police or punish firms more generally, we can only look at specific complaints and look to put right anything that has gone wrong.

There was no financial detriment here to Mr H. He did not proceed with the finance agreement and so hasn't lost out financially in any way. He was inconvenienced however by being given the wrong information and upset and angry about it when he felt he'd been lied to.

As such, I am persuaded that a payment to Mr H to recognise this distress and inconvenience would be the fair way for Tom Hartley to resolve this complaint. £100 is a fair figure to recognise the distress caused in this case.

### **Putting things right**

For the reasons stated, tom hartley cars limited should pay Mr H £100 in recognition of the distress and inconvenience caused because of the wrong information they provided to him.

### **My final decision**

For the reasons explained, I uphold Mr H's complaint, and tom hartley cars limited must follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 October 2022.

Paul Cronin  
**Ombudsman**