

The complaint

Mr W complains about a hire purchase agreement he entered into with Volkswagen Financial Services (UK) Limited ("VWFS"). He says the agreement was mis-sold to him and that it should've been in his daughter's name.

What happened

In October 2018 Mr W entered into a hire purchase agreement with VWFS.

Mr W contacted VWFS to complain that he believed the finance agreement had been mis-sold and that the agreement should've been in his daughter's name. He said his daughter had purchased the car and that the salesperson at the supplying dealer had explained that he would need to use Mr W's name for credit search purposes. Mr W said that the salesperson had told him that his daughter would be financially responsible for the car and that when the logbook arrived it would have Mr W's details but that these could be changed to his daughters' details. Mr W said that the salesperson had told him that after the first direct debit payment had been collected, his daughter would need to call VWFS to change the details. Mr W said that when his daughter contacted VWFS it declined to change the agreement into her name.

VWFS didn't uphold the complaint. It said that all of the documents were signed using Mr W's signature, including the original direct debit mandate. It said it wasn't able to add his daughters' details to the agreement.

Mr W was unhappy with the response and brought his complaint to this service.

Our investigator didn't uphold the complaint. They said that Mr W had signed the agreement and the pre credit information. They said the invoice was addressed to Mr W and all relevant information was in his name. The investigator said there was no evidence that the agreement had been mis-sold.

Mr W didn't agree. His daughter said she'd paid the deposit and had been paying the monthly direct debit since 2018 and it was only when she changed her bank details in July 2022 that VWFS said it couldn't set up a direct debit because she wasn't the account holder.

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 documents provided by VWFS show that the dealer invoice, the adequate explanation and the hire purchase agreement have all been signed by Mr W. Mr W also signed the direct debit mandate and provided proof of his identity.

When he signed the agreement, Mr W agreed to be bound by the terms and conditions. The terms and conditions state that Mr W cannot transfer the agreement into someone else's name. The terms and conditions also state that the car can only be used by the person

named on the agreement.

Because Mr W has signed all of the documents I've referred to above, he is the person who is responsible for making payments under the agreement. This means that if any payments are missed, it's Mr W who is liable for these. So in the circumstances, I can't say that VWFS has acted unfairly by reporting late payment markers to Mr W's credit file.

I've considered the information provided by Mr W's daughter. She says that when she went to purchase the car, she was advised that her credit rating was low, and that Mr W would have to sign for the credit. She also says that when she was given a copy of the vehicle order, it was Mr W's name on it and not hers. She says she was told by the dealership that she could call VWFS after the first few monthly direct debits had been paid to have the details changed. She also says that when the documents arrived for the car, they were addressed to Mr W.

None of this is inconsistent with the documents provided by VWFS. There's nothing in the information provided by Mr W's daughter which suggests that the agreement was entered into in her name. I can see that Mr W's daughter signed some documents, but her signature doesn't appear on the hire purchase agreement.

Based on the information I've seen, there's no evidence that VWFS mis-sold the agreement.

Mr W's daughter has said that two lots of monthly payments have been made for the vehicle and she wants to raise a direct debit indemnity claim. I haven't seen any evidence to suggest that two lots of payments have been made and this wasn't something that formed part of Mr W's initial complaint to the business. However, if Mr W's daughter wishes to pursue a direct debit indemnity claim, this is something which she would need to speak to her bank about. It isn't something that this service can look in to.

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 W to accept or reject my decision before 19 February 2024.

Emma Davy
Ombudsman