

## **The complaint**

Mr M complains that Car Shops Limited mis-sold him a hire purchase agreement for four years instead of three.

## **What happened**

In August 2023 Mr M visited a branch and ordered a used car, which he arranged to pay for with a hire purchase agreement. He says the agreement which was discussed and agreed on at this meeting was to last for three years. On a second visit, at which he collected the car, he signed the agreement on a tablet, on which he was unable to view the details of what he was signing. He only discovered in September that the agreement he had signed was for four years, and not the three years he had thought it was.

Mr M complained to Car Shops, but it did not accept that it had done anything wrong. It said that in a phone call Mr M had made prior to his first visit, he had said that he wanted his monthly payments to be around £150, and he had agreed to a five year agreement. At the second branch visit, this had been reduced to four years. He had signed a "demands and needs questionnaire" to indicate that he had understood the different funding options. The agreement had stated that it was for 49 months, at £140 a month for 48 months (and then a larger final payment). He had bought a warranty and GAP insurance that were each for 36 months, to be paid for over 48 months, bringing his total monthly payments up to £177.

Car Shops said there was no evidence that a hire purchase period of three years had been discussed. But it later added that even if Mr M had asked for a three year agreement, it would still have advised him to take four years anyway, to give him more time to save for the deposit on his next car.

Being dissatisfied with that response, Mr M brought this complaint to our service. He asked for the agreement to be changed to 36 months.

Our investigator did not uphold this complaint. He said he hadn't seen any evidence to suggest that a 36-month term had been agreed. He thought the situation could have been avoided if Mr M had reviewed the agreement before signing it. On balance, he didn't think the agreement had been mis-sold.

Mr M did not accept that opinion. He reiterated that he had not been shown the agreement before signing it. He said the sales manager was lying about what had been discussed. He asked rhetorically why he would have raised this complaint if it was not true. He said he had not been given a copy of the agreement on the day he signed it, but only a week later.

This case was then referred for an ombudsman's 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.

Having done so, I do not uphold it, because I am not persuaded that the agreement was mis-sold. I will explain why.

I am not going to attach any blame to Mr M for not reading the agreement when he signed it. He probably didn't think he needed to read it because he thought he already knew what it said. Also, it's generally not my role to decide whether a complainant did something wrong, only whether the respondent did (there are a couple of exceptions, but they do not apply in this case).

However, although Mr M couldn't see the agreement when he signed it, I do not think that this was deliberate on the part of Car Shops, or that Car Shops would have refused to show him what it said if he had asked to read it. So I don't think the agreement was mis-sold because of that alone. And by signing the terms and conditions, Mr M was bound by them whether he read them or not.

I can't know for certain what was said in the branch, but I suspect that what has most likely happened here is that when somebody mentioned that the warranty was for 36 months, Mr M may have thought that the finance agreement was for that period. That isn't the only possible explanation, but I think it's unlikely that the sales manager lied about it being a 36-month finance agreement while trying to sell him a 49-month agreement all along. I can't see why he would do that, given that in the earlier phone call (which I have listened to) Mr M had said he wanted a five-year agreement.

On the balance of probabilities, I think that there has been an innocent mistake rather than a mis-sale.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 November 2024.

Richard Wood  
**Ombudsman**