

The complaint

Mr R says a finance agreement he entered into with Toyota Financial Services (UK) PLC ("TFS") was misrepresented to him.

What happened

In May 2022 Mr R part exchanged a car and entered into a finance agreement with TFS to lease a newer one. He says he expected that agreement to be the usual 0% interest arrangement he had previously had with the business, but when he received his first annual statement, he realised interest was being charged.

TFS didn't uphold Mr R's complaint and our investigator wasn't persuaded there was sufficient evidence that the agreement had been misrepresented to him.

As Mr R disagreed, his complaint has been passed to me, an ombudsman, to make 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.

I know it will disappoint Mr R, but I agree with the investigator's opinion. I'll 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 R acquired his car under a hire purchase 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) is relevant here as the pre-contractual acts or omissions of the credit broker or supplier will be deemed to be the responsibility of the lender.

If Mr R was given an untrue statement of existing fact by the supplier who brokered this agreement and if that false statement induced Mr R to enter into a contract he wouldn't otherwise have entered into, I would think the agreement had been misrepresented to him and I'd ask TFS to take some action.

But here I can't see any evidence that Mr R was given a false statement. He's explained that he assumed he was entering into a 0% finance agreement, but he's not suggested he was *told* he was.

While I can understand Mr R may have expected that his previous arrangement may have been mirrored in this new agreement, I can't see it was promised to him, and in those circumstances, it wouldn't be reasonable to suggest there has been any misrepresentation that the lender can be held equally responsible for.

The finance agreement explains the payments due, the cash price, the interest applied, and the term of the agreement, accurately. I understand that Mr R says he didn't sign the finance agreement. There was no "wet signature" but the agreement was signed electronically using the business' "eSign" platform. TFS have explained that the eSign process asks consumers questions to confirm their identity before allowing them to sign their documents. While I accept Mr R may not have remembered doing that, I have no other explanation as to how the signature could have been generated and, on balance, I'm persuaded it's likely he did eSign and, therefore, had the opportunity to review the finance agreement before agreeing to it.

It was for Mr R to ensure he understood the terms of the agreement he was entering into and, overall, I'm not persuaded he was given false information about how the deal was to be financed.

Since Mr R referred his complaint to this Service he has also explained he's unhappy that the interest rate on his annual statements is listed as 4.21% while it's 5.9% on the finance agreement. He's also concerned that three free of charge services didn't feature in his finance agreement. This Service is only able to consider complaints after the business has been given a chance to consider them. I can't see that TFS have had that opportunity yet and if Mr R remains dissatisfied with those issues he may, therefore, wish to raise them with TFS. Ultimately, however, I'm afraid I don't think I have sufficient evidence to uphold this complaint.

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 R to accept or reject my decision before 26 August 2024.

Phillip McMahon
Ombudsman