

The complaint

Mr M complains that Volvo Car Financial Services UK Limited (VCFS) executed a conditional sale agreement without his authority.

What happened

Around November 2022 Mr M ordered a new car from a trader I'll call P. He was to finance the car with a conditional sale agreement with VCFS, and brokered by an appointed representative of VCFS. VCFS said Mr M electronically signed the conditional sale agreement on 2 November 2022.

Mr M took delivery of the car on 1 December 2022. On 5 December 2022 VCFS emailed him explaining that its 'e-sign status' was only valid for 30 days and as the delivery had slightly exceeded this time, he would need to sign the conditional sale agreement again. It said it sent a reminder of this on 13 December 2022 as it hadn't heard from Mr M.

Mr M said he missed these emails and by the time he saw them he'd already told the trader he was returning the car. However, Mr M said he received an executed conditional sale agreement from VCFS shortly after this dated 13 December 2022. He said he never signed this agreement so someone must have done it without his authority.

On 4 January 2023 the car was collected by VCFS. On 13 January 2023 VCFS collected the first repayment due under the agreement of £630.12 in error.

When Mr M complained, VCFS told him the agreement had now been cancelled and his first monthly repayment had been refunded. It paid him £200 compensation for distress and inconvenience.

Mr M referred his complaint to this service. An investigator thought VCFS had provided fair compensation for what had gone wrong and suggested Mr M may wish to refer his complaint about the signature on the conditional sale agreement to the credit broker.

Mr M therefore also brought this complaint against the credit broker about its part in the process, who as it turned out, was an appointed representative of VCFS. An investigator here didn't think VCFS needed to do anything in respect of Mr M's complaint about the appointed representative. He said it appeared Mr M's signature from 2 November 2022 had been used to arrange the execution of the agreement and VCFS didn't know he'd already asked to return the car when this happened.

Mr M didn't agree with the investigator and asked an ombudsman to review his complaint. He said the practice of e-signing a finance agreement on behalf of a customer without their consent is illegal.

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.

VCFS is the principal of the appointed representative it said carried out the credit broking for what was a regulated credit agreement. Credit broking is a regulated activity, so I am able to consider a complaint about it against VCFS. It appears from the conditional sale agreement that has been provided that VCFS was also the lender. I am able to consider complaints about it in respect of this activity too. So, I've referred to VCFS interchangeably in this decision and looked at Mr M's complaint about everything he's said he's unhappy with.

VCFS said that its e-sign status was only valid for 30 days and because the car was to be delivered after this it asked him to sign the conditional sale agreement again. But when it couldn't get hold of Mr M it used the existing signature it had to arrange for the agreement to be executed. I do understand why Mr M had concerns that an executed agreement was sent to him in these circumstances. However, it is not in dispute that Mr M signed a conditional sale agreement in November 2022 and agreed to the terms of that agreement. So, it doesn't appear the agreement was executed without Mr M's consent to be bound by its terms.

The car was supplied to Mr M seemingly before the agreement had been executed. And by the time someone realised this, Mr M had already asked to return the car. It's not clear why this information had not been shared between the trader and VCFS but clearly this should have happened. This would perhaps have avoided the incident that led to Mr M's complaint.

I note however that VCFS has already arranged for the agreement to be cancelled, collected the car, returned the monthly repayment it had taken and paid Mr M compensation of £200 for distress and inconvenience.

In all of the circumstances, I think Mr M has received fair compensation for what went wrong and for each of VCFS's roles in the process. It is in line with the guidance on our website relating to compensation for distress and inconvenience for matters which took a few weeks to sort out.

I think this sum also compensates Mr M for any extra insurance costs he is likely to have incurred in respect of the short delay in collecting the car after VCFS become aware it needed to do this.

I don't therefore find VCFS needs to do anything more in respect of Mr M's complaint.

My final decision

For the reasons I've explained, I do not require Volvo Car Financial Services UK Limited to do anything in respect of Mr M's complaint. `

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 December 2024.

Michael Ball
Ombudsman