

The complaint

Mr H complains that the car and the hire purchase agreement, he entered into with Black Horse Limited (Black Horse), has been misrepresented to him.

When I refer to what Mr H and Black Horse have said, it should also be taken to include things said on their behalf.

What happened

In September 2020 Mr H entered into a hire purchase agreement with Black Horse to acquire a used car. The cash price of the car was around £6,500. There was a deposit of about £650 (which included a part exchange allowance of around £400). The total amount payable was around £8,812. And the duration of the agreement was set to around 60 months.

Mr H said that he believes that his car finance agreement and the car was mis-sold to him. Mr H said that when he entered into the hire purchase agreement with Black Horse, the dealership where he acquired the car was widely advertising that all he needed was a £100 deposit, and he could drive away with a car in an hour. Mr H said that despite this, he was told he would have to pay more in terms of a deposit. So, he said he would like the difference reimbursed back to him as a bare minimum. He would also like an apology by Black Horse for ignoring several emails that he has not received in response to his correspondence. And he said, that any other compensation on top of any wrongdoing found to be made by Black Horse would be appreciated.

Mr H had, on a few occasions, written to Black Horse with his concern but as he received no response from them, he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that the complaint should not be upheld. The investigator did not think that Black Horse misrepresented the agreement or the car to Mr H.

Mr H disagreed with the investigator. So, the complaint has been passed to me to decide.

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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

I am very aware I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me, reaching what I think is

the right outcome. This reflects the informal nature of our service as a free alternative to the courts.

What I need to decide in this case is whether the hire purchase agreement and/or the car, was misrepresented to Mr H by Black Horse and/or their agents. Specifically in this decision, I am only considering if the car or the hire purchase agreement was misrepresented to Mr H because he had to make more than a £100 deposit. Mr H told the Financial Ombudsman that when he was acquiring the car it was widely advertised by the dealership that he would only need to make a £100 deposit to drive away with a car. But Mr H said that despite this, he was told he would have to pay a higher deposit.

To make a finding of misrepresentation, I would need to be satisfied that Mr H was told a false statement of fact that caused him to enter into a contract he would not have entered into otherwise.

I do not know exactly how Mr H was informed about only needing to make a £100 deposit, as I have not been provided with a copy of the exact advertisement. As such, I have also considered other evidence that is available such what Mr H and Black Horse have told us, and what the hire purchase agreement and the contract of sale stipulates.

When reviewing the hire purchase agreement and the contract of sale, I can see that it clearly states the amount of deposit is £650. The contract of sale stipulates that Mr H received £400 as part exchange allowance for his car, so the remainder £250 was a deposit he made. Mr H signed this agreement, so, most likely, had he been told at the time he was entering into the hire purchase agreement, that he will definitely only need to make £100 deposit to acquire the car, I think most likely, he would have questioned why his hire purchase agreement and the contract of sale state something else. And, if this was such an important aspect for him, I think most likely, he would not have entered into the hire purchase agreement in question.

For me to say that his agreement, or the car, was misrepresented to him, I would need to be satisfied that Mr H was told a false statement of fact that caused him to enter into a contract he would not have entered into otherwise. And, based on the available evidence, I do not have enough to conclude that this is most likely what happened.

Mr H has referred to negative comments made online by other customers of the dealership where he acquired the car, and he said these should be taken into account. So, I have taken this into consideration, but we consider each complaint on its own individual merits, and I do not consider it would be fair to draw negative inference from the experiences that others have had in different circumstances.

Considering everything, I think the dealership may have advertised that it was possible to acquire certain cars with only a small deposit such as a £100, but I have not seen enough to say that most likely Mr H was told that he definitely will have this option.

Also, Mr H said that he attempted to contact Black Horse directly on several occasions and they did not get back to him. I have considered that maybe Black Horse could have responded to Mr H sooner, but I have also considered that, most likely, Mr H was not using the correct channels that are listed for making such complaints. And overall, I can see that when Mr H did not get a response from Black Horse, he contacted the Financial Ombudsman directly. As such, I have not seen enough to be able to say that, most likely, Black Horse's actions/inactions directly caused unnecessary delays or caused Mr H a financial detriment.

While I appreciate Mr H's strength of feeling regarding his complaint, I do not think I've seen enough to say that there has been a misrepresentation of the car or the hire purchase agreement in relation to the amount of deposit needed to be made. So, it is not fair or reasonable for me to require Black Horse to take any further action regarding this specific complaint.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 April 2025.

Mike Kozbial
Ombudsman