

The complaint

Mr E complains about being misled when he acquired a new car through a finance agreement with RCI Financial Services Limited trading as Nissan Financial Services ('RCI').

Mr E says that he did not want any additional products with the car. But these were added by the sales adviser which increased his monthly repayments. He would like the 'add-ons' removed or the agreement cancelled.

What happened

Mr E's complaint is about a new car he acquired in April 2024. Mr E acquired the car using a hire purchase agreement that was started in March 2024. The vehicle had a retail price of £37,413. Mr E paid a deposit of £11,852 and so £25,561 was financed. This agreement was to be repaid through 49 monthly instalments, there were 47 payments of £256.62 followed by a repayment of £256.88 and then a final repayment of £18,566.22. If Mr E made repayments in line with the credit agreement, he would need to repay a total of £42,688.24.

I understand Mr E hasn't collected the car and he has made one payment to the finance.

Mr E complained to RCI in late March 2024 saying that the car had not been delivered on time. And he complained to the dealership in April 2024 saying that he had been misled when he entered into the agreement to purchase the car and start the finance. He said that he had been charged for additional products that he did not want.

As far as I can see, RCI didn't consider this complaint before Mr E brought it to the Financial Ombudsman Service.

Our Investigator upheld Mr E's complaint in part. She said that RCI, and the dealership, were late delivering the car, and didn't communicate properly with Mr E about this, and so he should receive compensation of £250.

However, she also said that the sales documentation that Mr E had seen, and agreed to, did show that he was purchasing other products in addition to the car. And so, she wasn't persuaded that Mr E was misled.

There was some further correspondence. There were no new issues raised in this, but Mr E's rights about the cooling off period with the finance and the car purchase was discussed in more detail. It was noted that Mr E did have a 14 day cooling off period for the finance, but not the car purchase, as it was made face to face in the dealership.

And overall, Mr E didn't agree with the Investigator. He still thought that he hadn't asked for, or agreed with, the extra items he was now paying for, and he wanted to cancel the agreement. Because Mr E didn't agree, this matter has been passed to me 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. RCI is the supplier of the goods under this type of agreement.

Mr E says he was given false information by the dealership, and this led to him agreeing to purchase 'extra' items and entering into the finance agreement for the car. He says that he didn't want these other items, he just wanted the car.

I understand that RCI wasn't a party to some of the sales negotiations, and it may not have been aware of what was discussed between Mr E and the dealer. But it can still be responsible for what was discussed and the information that Mr E was provided by a broker and car dealer. This is because section 56 of the Consumer Credit Act 1974 establishes that a finance company can be held responsible for antecedent negotiations carried out by their agent that take place before the agreement is entered into.

I've looked at the various issues Mr E has raised separately below. I'll firstly say that there has been a significant amount of correspondence throughout this complaint. And our Investigator's opinion, and Mr E's responses, did contain a lot of the detail about the events that took place around the time of sale. I have read all of these, but I won't reproduce them here. I'll concentrate on the issues and facts I need to outline to reach a fair outcome.

The delay in the delivery of the car

When Mr E entered into the contract to acquire the car, he was told that it would be delivered on a certain day. I understand this didn't happen and the delivery of the car was delayed by around two weeks. Our Investigator thought that compensation of £250 for the distress and inconvenience this caused was reasonable, and I agree with this. No party to the complaint has disagreed that Mr E should be paid this amount and so I won't comment further about this award itself.

Mr E feels that he should have been able to exit the contract to purchase the car, and the finance agreement, partly due to this delay. I understand this delay was caused by the manufacturer of the car and so it was beyond both RCI's and the dealerships control. And in any event whilst I'm sure this would have been frustrating for Mr E, I don't think the delay is excessive to the degree that the contracts should be ended. I think the delay was relatively short and the monetary compensation I've talked about above is reasonable.

I'm upholding this part of Mr E's complaint and I think £250 compensation is reasonable for the distress and inconvenience the delay caused him.

The further items that Mr E purchased in addition to the car

When Mr E agreed to purchase the car, and start the finance, he also paid for some other products. These were Supagard Premium (Gold) (paint protection), J12 Premium Delivery Pack e-power (car accessories), Smart insurance and tyre & alloy wheel insurance.

As a starting point these were shown on the sales documents from the time of sale on 22 March 2023. The invoices do show, in clear terms, that Mr E had agreed to purchase these, and they were added to the cost of the car and the finance. So, I don't think that Mr E was misled by the written documents he was provided. And he was able to make an informed decision about the car purchase from these.

Mr E said that he was misled by the dealership before he entered into the agreements. He has said that he was told that the extra products were only added so that he would qualify for an end of year promotion about the delivery of the car. But the dealership has said that this wasn't the case and there is no further evidence to support what Mr E has said about this. So, I'm not persuaded that Mr E was misled in this way.

Mr E has said that he visited the dealership on 25 March 2023 and that the dealership refused to remove the additions and said they were present due to an end of year promotion. He was told that some of the additions came at no cost to him. But again, there isn't enough for me to say this was more likely than not how the sale came about. And the cost of these items was clearly documented.

And in any event Mr E did agree to purchase the extras when he completed the sales documentation. I would have expected him not to have completed this if he strongly disagreed with what he was purchasing at the time.

I'm not upholding this part of Mr E's complaint.

Should Mr E have been allowed to cancel the agreements

Mr E has said that he tried to cancel the finance and the car purchase agreement, before he took delivery of the car, but he was told he was unable to do this. He thinks the agreements should have a cooling off period and he should have been able to cancel them as he said he wanted to do this within 14 days of them starting.

When Mr E tried to cancel the agreements at the start, it was explained to him that whilst the finance did have a statutory cooling off period the car purchase did not, as it was made on a face to face basis. So even if he did cancel the finance he would still need pay for the car.

And this is correct, Mr E could have, if he had wanted to, not proceeded with the finance but he would have needed to find an alternative means of paying for the car. The information I've seen shows that Mr E decided to not initially pursue a cancellation of the car and finance contracts following this information.

This is supported by Mr E signing the documents on the 27 March 2023. This is two days after he said he visited the dealership on the 25 March 2023 to not proceed with the transactions.

Taking all this into consideration I've not seen that RCI acted incorrectly in respect of the potential cancellation of the finance agreement and when information about this was given to Mr E.

I'm not upholding this part of Mr E's complaint.

Should RCI amend Mr E's credit file

Mr E has only made one repayment to the finance agreement. The finance is still in force and Mr E is still subject to the terms of it, including making the repayments. RCI does have responsibility to accurately report this to the credit reference agencies and it isn't acting

incorrectly when it has done this. I don't think it should report any different information to the credit reference agencies.

Having considered the file it does seem to be, in part, that Mr E may have wanted to exit the agreement due to a change in his circumstances following a bereavement of a family member. Whilst I can sympathise with this I do need to see that RCI, or the dealership acting on its behalf, has acted incorrectly to uphold the complaint, I don't think this is the case here.

But RCI should bear all this in mind going forward, and that Mr E will still owe RCI a significant amount of money and it's not clear what has happened with the car. RCI should note its responsibilities where a consumer is, or could be, in financial difficulties when it corresponds with Mr E about him making the repayments or assisting with the termination of the agreement, if that is what Mr E wants.

Putting things right

RCI should pay Mr E £250 for the distress and inconvenience caused by the delay in the delivery of the car.

My final decision

For the reasons I've explained, I partly uphold Mr E's complaint.

RCI Financial Services Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 29 May 2025.

Andy Burlinson
Ombudsman