

## **The complaint**

Mr B complains that Jump Finance Ltd trading as Creditplus failed to vet the dealership which sold him a faulty car, and mis-sold him a conditional sale agreement.

## **What happened**

Mr B took out a conditional sale agreement to purchase a vehicle in 2022. The car dealership had referred him to Jump Finance Ltd trading as Creditplus to arrange finance. Creditplus – a credit broker – arranged a conditional sale agreement for Mr B with a lender (which I'll call M).

In 2023, Mr B complained to M that the finance had been mis-sold, as the dealership had told him a six month warranty was in place when it was not. And, unfortunately, there was a faulty part in the vehicle. Mr B referred the complaint to our service, where it was upheld by one of our Investigators. Both Mr B and M accepted the Investigator's recommendations for how the complaint should be resolved.

Mr B then raised a complaint with Creditplus. He said that he thought Creditplus had mis-sold him the agreement, citing s56 of the Consumer Credit Act (CCA). He also said that he thought Creditplus hadn't vetted the dealership properly and he thought it should compensate him for the impact on him.

One of our Investigators considered Mr B's complaint. She thought that our service wasn't able to consider the points he had raised about how Creditplus had vetted the dealership, as it wasn't within our service's jurisdiction. She dismissed the points Mr B had raised about the sale of the agreement, as she thought our service had already considered the subject matter of the complaint against M.

I issued a provisional decision. In summary, I said I didn't think Mr B's point about Creditplus failing to vet the dealership fell within our jurisdiction. I said that I thought it was appropriate for our service to consider Mr B's points about the sale of the agreement, but I didn't uphold his complaint.

Neither party responded by the deadline, so the case has been passed back to me for 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 my provisional decision, I said:

*"Which parts of Mr B's complaint can our service consider?"*

*Before we can look at the merits of a complaint – whether what has happened is fair and*

*reasonable – we must make sure the complaint is one our service is able to consider.*

*This is because our service is bound by rules that are set out by the financial industry regulator, the Financial Conduct Authority (FCA). These are known as the dispute resolution (or DISP) rules and are contained in the FCA Handbook.*

*Based on what I've seen, I think I have the power to consider part of Mr B's complaint . I'll explain why.*

*DISP 2.3.1 states:*

*"The Ombudsman can consider a complaint under the Compulsory Jurisdiction if it relates to an act or omission by a firm in carrying on one or more of the following activities:*

*(1) regulated activities (other than auction regulation bidding, administering a benchmark and dealing with unwanted asset money);*

*....*

*or any ancillary activities, including advice, carried on by the in connection with them."*

*One of the regulated activities listed is credit broking. This is the activity Creditplus carried out in this instance, by arranging the conditional sale agreement on Mr B's behalf. So, I think our service is able to consider a complaint against Creditplus about credit broking.*

*That said, I don't think our service can consider the points Mr B has raised about Creditplus' vetting of the dealership. I say that because our service doesn't have the power to consider the commercial relationships between businesses, and I don't think Creditplus' actions in that regard were ancillary to the activity of credit broking.*

*Our service has previously considered a complaint against M about the events that are the subject matter of Mr B's complaint against Creditplus, so our Investigator thought it wasn't appropriate for our service to consider a further complaint and dismissed it. That said, M and Creditplus provided Mr B with separated regulated activities. M entered into the credit agreement as the lender, and – as I've explained – Creditplus brokered the credit. So, I think it is appropriate for our service to reach an outcome on the part of Mr B's complaint against Creditplus which falls within our jurisdiction.*

*Why I'm not upholding Mr B's complaint*

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*As I've explained above, I am able to consider a complaint about credit broking against Creditplus. Having considered this part of Mr B's complaint, I do not intend to uphold it. I'll go on to explain why.*

*When making his complaint to Creditplus, Mr B raised s56 CCA to explain why he thought it had acted unfairly. In summary, under s56 CCA the lender is responsible for communications by the credit broker and supplier prior to the consumer entering into a conditional sale agreement. In this case, Creditplus acted as credit broker – not as lender. S56 CCA doesn't give any further liabilities to the credit broker for the actions of the supplier (in this instance the car dealership).*

*I can't see that Mr B has raised any issues about the way Creditplus arranged the conditional sale agreement itself. He has only said that the dealership misled him about a warranty being in place. For the reasons I've explained, I can't reasonably hold Creditplus responsible for the actions of the dealership.*

*I can't see that Creditplus acted unfairly or unreasonably in arranging the credit for Mr B, so I do not intend to uphold this part of his complaint."*

I've read and considered the full file again. As neither party provided any further comments, I see no reason to depart from my provisional decision.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 November 2024.

Frances Young  
**Ombudsman**