

The complaint

Mr Y says CA AUTO FINANCE UK LTD ('CA'), trading as Fiat Financial Services, were wrong to tell his insurer that they didn't accept replacement cars in relation to insurance settlements.

What happened

In August 2023 Mr Y entered into a Personal Contract Purchase agreement with CA who leased him a new car.

The car was written off in an accident in February 2024 and Mr Y's insurer (who I'll call 'A') subsequently provided an insurance settlement.

Mr Y says that CA provided inaccurate information to A. They told A they didn't offer an option to transfer the finance agreement to a replacement vehicle but had told him that may be an option on a case-by-case basis. He said that error led A to provide a settlement when they would otherwise have provided a replacement vehicle.

CA said the request to settle the claim with a replacement vehicle wasn't made to them until after A had provided a financial settlement and that in those circumstances, they didn't think they'd done anything wrong as they simply processed the financial settlement A had provided.

Mr Y referred his complaint to this service, but our investigator didn't think there was cause to uphold it. So, Mr Y asked for a decision by an ombudsman.

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 Y, but I'm not upholding this complaint. 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 Y acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

I don't think it would be fair to hold CA accountable for any errors made by Mr Y's insurance company. CA accepted the financial settlement that A offered and in respect of the regulated agreement with Mr Y they haven't done anything wrong. It seems that A only accepted they

could have provided a replacement vehicle after they had settled Mr Y's account with CA and it was at that point that they may have supplied conflicting information.

As the agreement was settled by that point, and as I don't think CA did anything wrong when accepting the settlement, I can't agree that they need to take action here.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 24 February 2025.

Phillip McMahon
Ombudsman