

The complaint

Mr M is unhappy that he was unable to withdraw from being a guarantor relating to a car supplied to his daughter, Miss M, under a hire agreement with Universal Leasing Limited, trading as Admiral Leasing & Loans ('Admiral').

Mr M has been represented during the claim and complaint process by Miss M. For ease of reference, and where appropriate, I will refer to any comments made, or any action taken, by either Mr M or Miss M as "Mr M" throughout the decision.

What happened

Miss M was looking to lease a new car through a hire agreement with Admiral. Admiral provided her with a conditional offer on 19 March 2024. Part of this offer was that Mr M provide them with a third-party guarantee. Under the heading "*Cancellation Rights*", the conditional offer stated, "*up until the agreement is activated, you may cancel the finance application at any time by giving us appropriate notice ... please note, once activated most hire agreements are non-cancellable.*"

Miss M entered into the hire agreement on 20 March 2024, with Mr M signing the necessary documentation to act as guarantor the same day. By entering into the agreement on this date, the agreement was activated and the cancellation rights contained within the conditional offer ceased to be in force. Despite this, on 24 March 2024, Miss M contacted Admiral asking for the agreement to be cancelled. As the cancellation rights were no longer in force, because the agreement had been activated, Admiral didn't process the cancellation.

Mr M has said that he was pressurised into standing as a guarantor by Miss M, and she told him she was able to cancel the agreement before it was activated if he didn't want to stand as guarantor. He also said that Miss M asked Admiral to cancel the agreement before it was activated, as he expressed his desire not to be a guarantor.

Mr M complained to Admiral on 5 June 2024, stating that he wasn't provided with a 14-day cooling-off period; and that the settlement figure was higher than the cash price of the car. Admiral responded on 21 June 2024. They said the documentation made it clear that, once activated, this was a non-cancellable agreement - Miss M was looking to hire the car for business purposes so the cancellation rights detailed in the Consumer Credit Act 1974 ('CCA') didn't apply, which included the 14-day cooling-off period.

Admiral also explained that, as this was a hire agreement, it did not need to state the interest being charged, the total amount payable, or the equipment cost price. They also referred to the early settlement clause within the hire agreement which stated, upon early cancellation, "*you will still be liable for the remaining payments due under the agreement.*"

Unhappy with Admiral's response, Mr M brought his complaint to the Financial Ombudsman Service for investigation. Our investigator thought Admiral had acted fairly and in line with the terms of the agreement. So they didn't think Admiral needed to do anything more.

Mr M didn't agree with the investigator's opinion. He said that Miss M was able to, and asked, to cancel the agreement before it was executed, and this is something she was entitled to do under the terms of the conditional offer.

Because Mr M didn't agree, this matter 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr M was acting as a guarantor on a hire agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

Before I explain why I've reached my decision, it would be useful for me to set out exactly what I've been able to consider. In line with the rules our service works within, we are only able to consider complaints that have been raised with a financial business, with them having been given an opportunity to respond within their complaint process.

At the point which has led to this decision, Mr M had raised his complaint about the cooling-off period and the settlement figure with Admiral, for which he received a response. So, in line with our services approach, this decision will only consider the events, and complaint points raised and addressed, up to Admiral's complaint response of 21 June 2024.

So, any events that occurred, or complaints that have been raised, after 21 June 2024 haven't been considered or impacted the decision I've reached. This means that Mr M's complaint about Admiral failing to adequately check the agreement was affordable for him, or that the car supplied to Miss M wasn't of a satisfactory quality, haven't been considered as part of my decision. These would first need to be raised with Admiral separately and if necessary, referred to our service for consideration under a new complaint reference.

I've then turned to what I can consider. I've seen copies of the conditional offer of 19 March 2024, the agreement signed by Miss M, with Mr M acting as guarantor, on 20 March 2024, and Miss M's request to cancel the agreement on 24 March 2024. In doing so I've noted that, although the agreement is in Miss M's name, it also references her company name. As such, this supports Admiral's comments that, because Miss M was hiring the car for business purposes, the parts of the CCA that were applicable to non-business customers only didn't apply in this instance.

The conditional offer was clear that Miss M (and by extension as the guarantor, Mr M) only had the right to cancel up until the agreement was activated, after which it was a non-cancellable agreement. And the agreement signed on 20 March 2024 clearly states under the heading "*cancellation*" that "*this Agreement is not a cancellable Agreement.*" I'm therefore satisfied that Admiral made it very clear that, once activated, the agreement couldn't be cancelled.

Activating the agreement took place when Miss M signed the paperwork on 20 March 2024, and Mr M signed the guarantor paperwork the same day – if Mr M felt he'd initially agreed to be a guarantor under duress, and this was something he didn't want to do, he had the option not to sign any paperwork. And, by signing, this negated any cancellation rights in the conditional offer - activation happened when the agreement was signed and not when the car was actually supplied to Miss M. As such, when Miss M asked to cancel the agreement on 24 March 2024, her right to cancel had already expired.

While I recognise Mr M has made reference to other customers of Admiral, and that their agreements weren't activated until the goods were actually supplied, a crucial part of our service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. And, in this instance, the agreement was activated when the paperwork was signed on 20 March 2024. So, my decision won't be impacted in any way by how different agreements for different customers were dealt with by Admiral, no matter how similar Mr M feels the situation is.

I'm therefore satisfied that the request for cancellation was made after the cancellation terms detailed in the conditional offer had expired, and that Admiral had no obligation to allow the agreement to be cancelled.

The paperwork provided to Miss M and Mr M, under the heading "*Early Settlement*" also clearly stated that "*should you wish to end the agreement before the end of the Hire Period ... you will still be liable for the remaining payments due under the agreement.*" As such, any early settlement amount would be based on the remaining term of the hire agreement, and not in any way related to either the cash price or current value of the car supplied.

Miss M asked for a settlement figure in May 2024, and I've seen the figure provided was essentially the remaining payments owing under the agreement. I'm therefore also satisfied that Admiral acted in line with the terms of the agreement when advising Mr M how much would need to be paid upon early settlement.

So, in conclusion, and while I appreciate this will come as a disappointment for Mr M, I'm satisfied that Admiral acted fairly and reasonably, and I won't be directing them to take any further action.

My final decision

For the reasons explained, I don't uphold Mr M's complaint about Universal Leasing Limited, trading as Admiral Leasing & Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 September 2025.

Andrew Burford
Ombudsman