

The complaint

Mr L complains about the way ITC Compliance Limited (ITC) sold him a conditional sale agreement.

When I refer to what Mr L has said and what ITC have said, it should also be taken to include things said on their behalf.

What happened

In December 2023, Mr L entered into a conditional sale agreement with ITC to acquire a car first registered in December 2022. The cash price of the car was around £56,271. The total amount payable was approximately £56,271. The duration of the agreement was 36 months with consecutive monthly payments each of around £437 followed by one payment of approximately £28,573.

In summary, Mr L said that when he entered into the credit agreement he was elderly and had severe health issues. He believes that he was coerced and taken advantage of because he was contacted unsolicited by telephone on several occasions. This made him feel pressured to visit the dealership and discuss a car acquisition which also involved a trade-in of his current car. Mr L said the supplying dealership added a time pressure for the acquisition to happen before the end of the calendar year (i.e. by the end of the month) for him to be able to get the deal in question. Mr L said this led to sleepless nights, confusion, and anxiety. He said his previous car was more than fit for purpose and had only been purchased from the same supplier some nine months prior.

In addition, Mr L said that he was not well enough to test drive the new car before the purchase due to his medical treatments at the time. In summary, Mr L said that he was coerced into an unsound and unnecessary decision with suspension of normal caution at a time of ill health. As he was unhappy, he raised his complaint with the intermediary/ broker, who in this situation were ITC.

In May 2024, ITC wrote to Mr L. In the correspondence, ITC said that to assess Mr L's needs, a Demands and Needs (D&N) document was completed at the point of sale. ITC explained they understand that Mr L feels that he was mis-sold the finance as he felt that he was pressured into it, and that his vulnerabilities were not taken into consideration at the time of the sale. ITC explained that, from time-to-time, the dealership contacts customers to introduce any offers available at a given time, and that the information often includes the specific offers' time frames. ITC said there was no indication that Mr L advised the dealership of his challenges or vulnerabilities at the time of sale. They said that had they been aware of his circumstances, Mr L would have also had the opportunity to attend the dealership with a trusted person or have them support him in all his dealings with the dealership.

ITC said the sale was completed in a fully compliant manner, with all necessary documentation offered and with Mr L having the opportunity to cancel the finance agreement after the documentation was sent to him. They said they were sorry about Mr L's circumstances, but as there was no indication of a vulnerability at the time of sale, and there

was no indication that these were disclosed or ignored at the time the sale had occurred, they were satisfied that the sale of the consumer credit was carried out in a compliant way. In this correspondence they also explained their investigation only covered the sale of the consumer credit, and all other issues raised would have to be addressed directly with the dealership, as they are matters outside the jurisdiction of ITC.

Mr L remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman). The investigator explained that under this complaint, we could only look at the brokering of the finance agreement because that is a regulated activity and that any other issues regarding the quality of the car or some of the service issues regarding the dealership themselves could not be considered under this complaint against ITC. Regarding the mis-sale of the finance agreement, our investigator did not think that Mr L was pressured into taking out the finance. As such, the investigator was of the opinion that ITC did not need to take any further action in relation to Mr L's complaint.

Mr L 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 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 the Financial Ombudsman as a free alternative to the courts.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr L acquired the car under a conditional sale agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. ITC is the broker/intermediary under this agreement, so it is responsible for brokering this agreement.

First, I would like to express my considerable sympathy for the position Mr L is in. I know this has been a very difficult time for him and his wife. Mr L has told us a lot about his and his wife's medical condition(s), and I sincerely hope they are both able to make a full recovery. With that in mind, I know that what I am about to say will be unwelcome news to them and I am truly sorry if my decision adds to their distress at such a difficult time. But I'm unable to uphold Mr L's complaint.

I know Mr L said that the car was totally unsuitable for him as it was a fully electric car which was far too complicated for his needs, and he has questioned the quality of the car. But I am only considering the aspects ITC are responsible for, so I cannot look at certain actions and/or inactions of the dealership or what the finance company might be responsible for. To be very clear, in this decision I only focused on the aspects of whether the credit agreement taken out in December 2023, was mis-sold to Mr L. I cannot look at the aspects of the car itself being mis-sold or it not being of unsatisfactory quality. And I am only looking at the events that have been raised by Mr L with ITC, the ones they had an opportunity to address in their correspondence sent to him in May 2024.

Mr L said that he has received inadequate or misleading explanation of the financial agreement and that the total cost was misrepresented to him. He feels he should not have been charged certain amounts, such as the delivery payment of £725, and he said that the final payment of around £28,573 was not explained at all to him at the time of sale.

From the finance agreement, I can see that Mr L agreed to enter into the conditional sale agreement with the understanding that the cash price of the car was around £56,271 and that the agreement indicated that there was one final payment approximating £28,573. I can see these were made clear in the finance documents. I think, if Mr L was not happy with the proposed price or any aspects of the actual agreement, he had the opportunity to negotiate or to decide not to go ahead with the deal.

I understand that Mr L feels that ITC did not explain the finance paperwork to him. So I've considered the relevant rules around pre-contract disclosures set out in CONC, which is part of the regulator's handbook. These say that a firm is required to provide adequate explanations of the key parts of the conditional sale agreement and that these can be given either orally or in writing. From the paperwork provided to Mr L, I can see that it clearly sets out the costs of the agreement, including the cash price of the car, the deposit, the interest rates, the total repayable, and the monthly repayments, as well as any other fees.

Overall, I think Mr L was provided with an adequate explanation of the terms of the agreement in writing prior to entering into it. There was no requirement for ITC to additionally provide this explanation verbally. Further, I have not seen enough evidence to say that, most likely, Mr L asked for such an explanation.

Mr L told us that he did not want to spend more than he was paying for his other car. However, as mentioned above, I think it was made clear to him what the price of the car was and the overall costs of the finance agreement. So, I believe that he was given sufficient information to decide whether or not to proceed with the agreement in question. Even though the amount payable may have been more than he was initially wanting to commit to, I have not seen enough evidence to be able to say that ITC has acted unfairly or unreasonably.

I know Mr L said that felt pressured into entering the agreement. He said that perhaps he did not admit to the reason for not test driving the car, but he feels the dealership should have known him as he was a previous client. As such, they should have been able to detect differences in his demeanour. He had full trust in them having been a customer previously. As such, Mr L believes that they should have known that, at the time he was entering into the finance agreement, he was vulnerable due to his age and his medical issues. Mr L also mentioned that he had little time to read all the paperwork. I have taken this into consideration.

From the evidence available, I understand Mr L received a call on 9 and 14 of December 2023 when he was offered an account review. Following this, he called the dealership/intermediary back on the 18 December 2023 and during that call he inquired about how much it would cost to change into the car in question. It was decided that a deal would be worked out and he would receive a callback. When he received the callback, he was busy and could not speak. I understand that he visited the dealership on the 21 December 2023 and during that visit he was informed about the available deal. At that time, Mr L went away to think about the deal, and the dealership said they would call him to follow up. However, before they were able to do that Mr L himself went back and visited the dealership on 22 December 2023.

Based on the above, I think he was given time to think about the deal discussed, and he also chose to go into the dealership on two occasions and call the dealership back after he had

missed calls from them, including asking for a specific model he was interested in. There was also a period of about a week between Mr L being presented with the deal in question and the day of acquisition. As such, based on the available evidence, I have not seen enough to be able to say that, most likely, Mr L was under unfair pressure to enter into the finance agreement. It seems Mr L had ample opportunity not to follow up on the offered deal or to cancel the agreement in question. And Mr L never told the dealership that he was vulnerable at the time, so I have not seen enough evidence to be able to say that, on balance of probabilities, they knew he was in a vulnerable state when entering the finance agreement.

While I sympathise with Mr L for all the difficulties that he is experiencing, based on all the information available in this case, I do not think there is sufficient evidence to say that the finance agreement has been mis-sold to Mr L. As such, I do not think it would be fair and reasonable to ask ITC to take any further action regarding these.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 August 2025.

Mike Kozbial
Ombudsman