

## The complaint

Mr A complains about the response from Bank of Scotland plc, trading as Halifax, to a claim that he made to it under section 75 of the Consumer Credit Act 1974.

## What happened

Mr A bought a car from a dealer in September 2024. The price of the car was £21,372 and he paid £250 of that amount using his Halifax credit card. Mr A made a claim to Halifax in November 2024 under section 75 that the car had been misrepresented to him. He said that it was a 2023 model but was sold to him as a 2024 model. Halifax declined that claim as it didn't agree that a breach of contract or misrepresentation had been proven. It said that the car was a 2023 model that was registered in 2024.

Mr A then complained to Halifax but it said that no breach of contract or misrepresentation has been proven and the evidence provided didn't show that the car was specified as a 2024 model. Mr A wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld.

She said that she was satisfied that Mr A bought a pre-face lift car, the date of registration of a car doesn't equate to the date of manufacture and she was able to obtain two different valuations and the price that Mr A paid falls in between them, suggesting that the price that he paid was reasonable considering the model year and specification.

Mr A didn't accept the investigator's recommendation so I've been asked to issue a decision on this complaint. Mr A has provided detailed responses in which he says, in summary and amongst other things, that:

- his grounds for appeal are that:
  - no consideration was given to the part of the claim that Halifax had not exercised due diligence in determining its original ruling;
  - on the basis of the evidence provided ... the outcome was perverse with regard to whether there had been misrepresentation; and
  - prior to the investigator reaching her judgement notice had been given that the original estimate of loss was likely to be a considerable underestimate;
- he believes that he has set out, and evidenced, a clear case that the original investigation by Halifax was not carried out with reasonable skill and care, he's evidenced that there was a clear misrepresentation regarding the age of the car which induced him to enter the contract and was caused a loss, and he's not been provided with any evidence to rebut the evidence that he's provided; and
- he believes that the available evidence coupled with the obstructive stance of the dealer and the errors of the reviewers mean that the decision to reject the claim is wrong in fact and law.

## 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 certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier. To be able to uphold Mr A's complaint about Halifax, I must be satisfied that there's been a breach of contract or misrepresentation by the dealer and that Halifax's response to his claim under section 75 wasn't fair or reasonable (but I'm not determining the outcome of Mr A's claim under section 75 as only a court would be able to do that).

There doesn't seem to be any dispute that the car that Mr A bought was a 2023 model that was registered in 2024, but Mr A says that it was represented to him that it was a 2024 model and that the 2023 model that he bought had a significantly lower value than he paid for it. Mr A has provided detailed evidence in support of his complaint, including an appeal against the decision to reject his section 75 claim and a further submission in support of his appeal, both of which were provided in response to the investigator's recommendation.

He says that his grounds for the appeal are that: no consideration was given to the part of the claim that Halifax had not exercised due diligence in determining its original ruling; on the basis of the evidence provided ... the outcome was perverse with regard to whether there had been misrepresentation; and prior to the investigator reaching her judgement notice had been given that the original estimate of loss was likely to be a considerable underestimate.

Mr A says that he received an email from Halifax in November 2024 in which it stated that it had been unable to get any response from the dealer but his claim was then rejected with little explanation. Halifax said:

*"Regrettably, our attempts to contact discuss/resolve the matter with the merchant has been unsuccessful. We have reviewed the information that you have provided to date, and we cannot agree that a breach of contract or misrepresentation has been proven, as it appears the merchant have fulfilled their contractual obligations. The vehicle launched a 2024 edition in October 2023, after the manufacture they were shipped in 2024. The vehicle you have purchased in September, is a 2023 model as per documentation provided and this was registered in the UK, April 2024".*

Mr A says that a credit provider must carry out appropriate investigations before making a determination on a section 75 claim but that didn't happen on his claim and no evidence has been provided that the dealer fulfilled the contract. He also says that there's a clear misunderstanding as to when he was informed that the car was a 2023 model.

It's clear that Halifax tried to contact the dealer about Mr A's section 75 claim but it didn't respond so it reviewed the evidence that it did have and, on the basis of that review, it didn't consider that a breach of contract or misrepresentation had been proven. As it said that a breach of contract or misrepresentation hadn't been proven, I consider that it was reasonable for it to have concluded that the dealer had fulfilled the contract. I'm not persuaded that there's enough evidence to show that Halifax acted incorrectly in the way that it considered Mr A's claim.

Mr A has described the ways in which he says that the car was misrepresented to him. In his appeal against the decision to reject his section 75 claim he says that the dispute arises because the car was listed with 12 miles on the odometer and was listed as a 2024 car on a 2024 plate but it subsequently transpired that it was a 2023 model which would have a

significantly lower value. He says that the car was represented by the dealer as “a *brand-new car*”. He says that he’s examined the original listing for the car but can find no reference to the year of manufacture.

The dealer said in an email to Mr A that ... *“as the vehicle had only covered 12 miles no additional work was required. We have not had to do any repairs whatsoever [it] is basically a new car”*. That email didn’t say that the car was basically a 2024 new car and it’s my understanding of the email that the dealer was saying that the car shouldn’t be considered to be a used car because it had only been driven for 12 miles. I can understand why Mr A might reasonably have understood that he was buying a 2024 model that had covered 12 miles, but that’s different to the dealer representing to him that the car was a 2024 model. Having carefully considered all of the evidence that Mr A has provided, I’m not persuaded that there’s enough to show that the dealer represented to Mr A that the car was a 2024 model.

Mr A said in his complaint form that his original estimate of £1,500 for the price difference between a 2023 model and a 2024 model was probably a significant underestimate as he had evidence that the price difference was in excess of £5,000. The car was listed with a price of £21,622 and Mr A agreed to pay £21,372 to the dealer for the car. Mr A may have only agreed to pay that price because of his understanding that the car was a 2024 model, but the price agreed between a dealer and a customer for a car is a commercial decision for them. As I’m not persuaded that there’s enough to show that the dealer misrepresented the car to Mr A, I don’t consider that it would be fair or reasonable for me to require Halifax to refund to Mr A any of the money that he paid for the car.

It’s clear that Mr A feels very strongly that the car was misrepresented to him, so I appreciate that my decision will be disappointing for him, but I consider that Halifax’s response to his section 75 claim was fair and reasonable. I find that it wouldn’t be fair or reasonable in these circumstances for me to require Halifax to take any action in response to Mr A’s complaint.

### **My final decision**

My decision is that I don’t uphold Mr A’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr A to accept or reject my decision before 25 August 2025.

Jarrold Hastings  
**Ombudsman**