

The complaint

Mr and Mrs T complain about issues with a car that was supplied to them under a hire purchase agreement with JBR Capital Limited and that the lending was unaffordable for them.

What happened

A used car was supplied to Mr and Mrs T under a hire purchase agreement with JBR Capital that they signed in April 2022. The price of the car was £95,390 and the hire purchase agreement shows that Mr and Mrs T part-exchanged a car which was given a value of £11,000. Mr and Mrs T agreed to make one payment of £1,303.10, 46 monthly payments of £1,151.10 and a final payment of £50,955.10 to JBR Capital.

Mr T complained to JBR Capital in June 2024 about a mileage issue and problems that he'd had with the car but it didn't uphold his complaint. It said that it believed that there may be an error on the mileage report that Mr T had provided and it said that the onus was on him to provide sufficient evidence that the issues he was experiencing were there from the start but he continued to drive the car and didn't raise any concerns with it until over 18 months later.

Mr T wasn't satisfied with its response so Mr and Mrs T complained to this service about those issues and they also said that the hire purchase agreement shouldn't have been approved because they couldn't afford such an expensive car. Mrs T is a party to the hire purchase agreement and has agreed to the complaint that was made to this service but otherwise isn't involved in the complaint. Details of the complaint were sent to JBR Capital and it said that Mr T hadn't raised a complaint with it about whether sufficient checks were carried out on his affordability when granting the finance so it would log a new complaint regarding the alleged mis-sale and provide a final response on that issue. The payments due under the hire purchase agreement weren't made and I understand that the car was repossessed by JBR Capital in June 2024.

The complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She didn't think that there was adequate evidence that the mileage was incorrect when the car was supplied and she said that she hadn't seen enough evidence to persuade her that something was actually wrong with the car. She thought that Mr and Mrs T had sufficient disposable income to make the repayments so the loan was affordable and she said that she hadn't seen enough to show that JBR Capital made an unfair decision to lend.

Mr T didn't accept the investigator's recommendation and says that he will be taking his complaint further so I've been asked to issue a decision on this complaint. He says that the insurance and petrol costs of the car should be taken into account.

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.

Mr T has provided a car check report which identified a mileage issue with the car. It says that the odometer reading reduced by 3,085 miles between October 2020 and February 2021. That is based on information provided by a retail federation which shows that the car's mileage in February 2021 was 35,135 miles but there's no other evidence to show why a mileage reading was taken at that time. The car passed MOT tests in October 2020 and October 2021 and its mileage was recorded at those times as 38,220 miles and 40,856 miles. I'm not persuaded that there's enough evidence to show that there's an issue with the car's mileage or that the car was misrepresented by the dealer.

Mr T says that he's had problems with the car from the moment it arrived and, after a couple of days, he had to return it to the dealer for repairs and the fault was never fixed despite multiple attempts. The dealer has stopped trading but Mr T has provided an email from a former employee of the dealer which says that numerous efforts were made to rectify the issues but the problems reoccurred and the business went into administration before the issues could be fully resolved.

The car was supplied to Mr and Mrs T in April 2022 and its mileage was shown on the finance quotation as 44,104 miles. The car passed MOT tests in October 2022 and October 2023 when its mileage was recorded as 48,836 miles and 61,494 miles. Mr T complained to JBR Capital about the issues with the car in June 2024, more than two years after the car had been supplied to him, and between April 2022 and October 2023 the car had been driven for 17,390 miles. Other than the email from the former employee of the dealer, Mr T hasn't been able to provide any evidence about the faults with the car or the repairs that were made by the dealer. If there were significant issues with the car that were present when the car was supplied, I consider that it would be reasonable to expect Mr T to be able to provide more evidence of the issues that he experienced. I'm not persuaded that there's enough evidence to show that the car wasn't of satisfactory quality when it was supplied to Mr and Mrs T.

Mr T says that the hire purchase agreement shouldn't have been approved because they couldn't afford such an expensive car and he's provided some evidence of their financial situation in April 2022. The payments due under the hire purchase agreement weren't made and the car was repossessed by JBR Capital so it's clear that Mr T couldn't afford the payments but the car wasn't repossessed until June 2024 and I'm considering whether the payments were affordable in April 2022 when the hire purchase agreement was entered into.

Mr T complained to JBR Capital about issues with the car in June 2024 but he didn't complain to it about the hire purchase agreement being unaffordable. After a complaint had been made to this service about affordability JBR Capital said that it would log a new complaint regarding the alleged mis-sale and provide a final response on that issue. It said in January 2025 that as part of the application process it obtained bank statements and payslips for Mr and Mrs T and other supporting documentation where necessary and carried out credit checks. It said that the information that it received showed that there was sufficient income being received between them to evidence that the monthly payment of £1,151.10 was affordable

The finance quotation asked Mr and Mrs T to confirm that they could afford the deposit and monthly payments, had no anticipated changes to their income or circumstances and the product features and flexibility had been fully explained to them. It also said that their budget was £1,200 each month. The hire purchase agreement said: *"By signing this Agreement you also confirm that (1) you can afford the monthly instalments, (2) you have told us of any known upcoming changes to your circumstances which could affect your ability to pay, (3) the information you have provided is true and accurate and (4) you have received an explanation of the features of the Agreement and have been given the opportunity to ask questions"*.

The investigator said that the information that Mr T had provided showed that Mr and Mrs T had a joint monthly income of £4,504.28 and had monthly committed outgoings of £2,014.67 (which she increased to £2,514.67 because of expected increased housing costs) so had around £2,000 a month left for day-to-day household shopping, clothes and travel expenses as well as the repayments of £1,301.10 due under this agreement. She also said that Mrs T had considerable savings and managed to transfer money to another savings account. She thought that they had sufficient disposable income to make the repayments due so the loan was affordable.

I've also looked at the information that Mr T has provided about their financial situation and I consider that the investigator has correctly calculated the disposable income that was available for them at the time that they entered into the hire purchase agreement. Mr T says that insurance and petrol costs of the car should be taken into account. Having carefully considered all of that information (including the insurance and petrol costs of the car), I'm not persuaded that Mr T has provided enough evidence to show that the monthly payments for the car weren't affordable for them at the time that they entered into the hire purchase agreement.

I'm not persuaded that there's enough evidence to show that JBR Capital shouldn't have lent to Mr and Mrs T in these circumstances. I find that it wouldn't be fair or reasonable for me to require JBR Capital to refund to Mr and Mrs T any of the payments that they made for the car, to pay them any compensation or to take any other action in response to their complaint.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 July 2025.

Jarrold Hastings
Ombudsman