

The complaint

Miss C complains that an appointed representative of Octane Ltd (Octane), which brokered a conditional sale agreement she entered into for the supply of a car, misrepresented the structure of the finance to her, particularly in relation to an extended warranty she bought. Miss C also complains about Octane's role in unwinding her agreement and about the time it took to deal with her complaint.

Octane has taken responsibility for this complaint and references in this decision to Octane include its appointed representative.

What happened

I understand from Octane that Miss C applied for car finance on 16 January 2025 via the website of a company that is its appointed representative.

On 17 January, a sales agent phoned Miss C to discuss next steps. This included finding a suitable car for Miss C and discussing whether she wanted to make an advance payment (or deposit) on the car and buy an extended warranty.

On the same date, Miss C entered into a conditional sale agreement with a finance provider for the supply of a car. Her agreement shows a cash price for the car of £8,488, an advance payment by Miss C of £100 and credit from the finance provider of £8,388.

On 20 January, Miss C wrote to Octane about concerns that (i) only £100 had been applied as an advance payment when she'd wanted to make a £500 advance payment and (ii) the cost of the warranty had been added to the finance, rather than deducted from the advance payment.

On 23 January, Octane notified the supplying car dealership that Miss C was exercising her short-term right to reject the car following diagnostic tests that showed various faults with it.

On 11 February, seemingly in response to the concerns Miss C had raised on 20 January, Octane wrote to Miss C saying it was sorry she was having issues with the car and to contact the dealer in the first instance. Perplexed by this response, which didn't deal with her concerns, on 12 February, Miss C again wrote to Octane. She reiterated her original concerns and included others relating to its role in unwinding the finance following her rejection of the car and the time taken to respond to her original complaint.

On 12 February, Miss C was sent a letter from the finance provider saying it was notified on 7 February of the issues she was having with the car. It said all parties concerned agreed Miss C's agreement would be cancelled with her having no further liability towards it. It said her credit file would be amended to prevent any future detriment and she would be refunded 8% interest (less 20% tax) on her advance payment. Finally, it said Miss C had confirmed her advance payment had been returned to her by the supplying dealership.

When, after eight weeks, Miss C got no response from Octane to her complaint about how the funding of her conditional sale agreement had been structured, she referred it to us.

The investigator who looked at Miss C's complaint didn't uphold it. He said he'd seen nothing to show Miss C was given any inaccurate information about the proposed conditional sale agreement or that Octane had made any false statements of fact. Our investigator noted the finance provider had unwound the agreement and completed the relevant actions, so Miss C had suffered no financial loss. And in relation to Octane not responding to Miss C's complaint within eight weeks, he said since our service wasn't the regulator, our role wasn't to punish a business.

Miss C disagrees with our investigator's findings. Miss C says she was misled about how the extended warranty would be paid for. She says that, had she not complained to the finance provider, her agreement would've remained live. And Miss C says Octane failed to respond to her complaint or manage the agreement properly after it went live.

So Miss C's complaint has come 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 decided not to uphold Miss C's complaint. I'll explain why.

The extended warranty

Miss C says the funding of the warranty was misrepresented to her. For me to uphold Miss C's complaint on this point, I'd have to think that, firstly, Octane made a false statement of fact to Miss C and, secondly, that false statement induced her to go ahead with the car.

Miss C says the cost of the extended warranty – which was around £399 – was added to her conditional sale agreement when she was told it wouldn't be and when this isn't what she wanted.

But, looking at Miss C's conditional sale agreement, that isn't what happened. As I've already mentioned, her agreement shows the cash price for the car of £8,488 (and Octane has shown us an advert for the car at this price) with an advance payment of £100 made by Miss C and with the finance provider giving credit of £8,388. There's no evidence the cost of the warranty was added to the finance.

From extracts of phone transcripts between Miss C and the sales agent that Octane has given us, I can see that, before Miss C went ahead with the transaction, there was discussion around what Miss C's monthly payments would be if she bought an extended warranty (£302 per month) and what they would be if she didn't (£298.71). I think this difference likely reflects what making an advance payment of £100 would be on Miss C's monthly payments, as against what an advance payment of £500 would be on them.

It's clear from the phone transcript extracts I've mentioned that Miss C agreed to go ahead with making the smaller advance payment and buying the warranty – she's recorded as saying: *"Let's do the warranty"*. And in another extract, the sales agent tells Miss C: *"You'll see on the contract, it says a deposit of .. a hundred pounds. That's because the other 399 is going towards your warranty, and you pay that to us directly"*.

Looking at all of this information, I don't think Octane made a false statement of fact to Miss C about the warranty or the advance payment. And that means I don't think the structure of

the finance was misrepresented to Miss C. So I don't uphold Miss C's complaint on this point.

Unwinding the conditional sale agreement

From what Octane has told us, Miss C's car was collected by the supplying dealership on 24 January. This was after Miss C had had diagnostic tests carried out on it which showed various faults, which in turn led to her decision to reject it. Octane says the car was then inspected by the dealership, which accepted Miss C's rejection. Octane says the dealership then returned the funds and the conditional sale agreement was unwound, returning Miss C to "*day one*". Octane says the situation was dealt with in a timely manner and Miss C was removed from the agreement in a reasonable timescale.

Miss C says it wasn't until 7 February that Octane told the finance provider she'd rejected the car. Miss C says that between 22 January to 7 February the deal was only "*paused*" by Octane (without her knowledge) and that her rejection of the car was only accepted two weeks after it had been collected from her. Miss C also says that, at the point when she spoke with the finance provider, she was told the funds still hadn't been returned to it, leaving her liable without her knowledge or consent.

I know Miss C is unhappy her conditional sale agreement wasn't unwound as quickly as she'd expected. But since there were a number of parties involved – dealership, broker, finance provider – I imagine it might've taken some days, once the dealership had accepted the rejection, for the funds to get to the finance provider to enable it to settle the finance. And from the point at which the dealership accepted Miss C's rejection of the car, she had no liability under the conditional sale agreement.

From the evidence I've seen, and to the extent it had a role in communicating Miss C's rejection of the car to the other parties involved, I don't think Octane did anything substantially wrong here. And, in any case, Miss C didn't suffer any financial loss, or any other financial detriment, as a result of what happened. So I don't uphold Miss C's complaint on this point.

Complaint handling

Our rules say we can only look at a complaint if (among other things) eight weeks have elapsed since the respondent (in this case, Octane) received the complaint. And that's what we've done here. I understand Miss C is unhappy Octane didn't respond to her complaint within the eight-week time limit the regulator says a business should give its final response to a complainant. But we aren't the regulator and so our role isn't to monitor or ensure compliance with the regulator's rules and guidance.

My final decision

For the reasons I've given, I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 August 2025.

Jane Gallacher
Ombudsman