

## **The complaint**

Mrs R complains about the hire purchase agreement she signed up to for the supply of a car from CA AUTO FINANCE UK LTD ("CA").

## **What happened**

Mrs R has been represented in bringing her complaint to our service by her husband, but I will always refer to Mrs R here for simplicity.

In September 2024, Mrs R entered into a hire purchase agreement for a car. The documents show that she part exchanged her previous car with significant negative equity (she still owed a lot more on the finance for that car than she was offered as a price in the part exchange). The car she acquired was a used car with approaching 11,000 miles covered.

The paperwork shows that the price of the car including extras was £11,196, and she was offered £8,500 part exchange value for her existing car. But she still owed £16,170.77 on the finance for that existing car. On this basis, she was only able to proceed with the transaction if she could put down a significant deposit which was agreed at £5,000. This meant that the amount of the new finance for the car she was acquiring was £13,866.77.

Mrs R complained in December 2024 saying she'd been mis-sold and the contract was misrepresented to her. CA issued their final response letter (FRL) in February 2025 and didn't uphold the complaint. They explained she had told the retailer she was struggling with her previous car due to spinal issues so needed to change car, and confirmed she had complained about the fact her £5,000 deposit wasn't included in the paperwork for the new agreement, she hadn't had chance to read the paperwork and was just asked to sign it, the agreement was a personal contract purchase but she thought it was going to be a hire purchase, and the price of the car seemed a lot higher than she expected.

CA said that the paperwork showed the agreement details correctly, she had signed it all, and as such, they couldn't agree anything wrong had happened.

Unhappy with this, Mrs R brought her complaint to our service. An investigator here investigated it and didn't uphold it. By this time, Mrs R was also questioning the validity of her signature on the agreement and said she didn't believe it was the same car on the agreement that she had been supplied, as the registration was different. She also said she didn't agree to the extras on the sale on top of the basic purchase price, she hadn't wanted a lease agreement, and said that because she'd lost some benefits, she couldn't afford the agreement now.

Mrs R didn't agree with the investigator's assessment of her case and asked for an Ombudsman to make a final decision, so the case has come to me for that final decision.

## **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. Mrs R was supplied with a car under a personal contract purchase which is a type of hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

I was sorry to hear about Mrs R's loss of benefits meaning she can't afford the car now and agree with the investigator when they said in their view that CA have a duty of care to deal with her with forbearance in supporting her to deal with this. But this doesn't mean I can or should answer her complaint about mis-selling any differently, as to be fair to both parties, I need to investigate what happened at the point of sale to decide whether a mis-sale occurred.

In doing this, I've thought about the fact that she already had a car finance agreement when she entered this one, and the supplying dealership said they have supplied her with several cars over several years. As such, I think it's reasonable to say that she understood when buying a car that the finance was being provided by a different company.

The element that sometimes consumers don't understand is that this means the finance company is in effect buying the car off the supplying dealership and supplying it to the customer. So, the finance company are responsible for the sale of the car, the dealership is acting as a broker for them.

I can appreciate that the numbers on this transaction might feel confusing to Mrs R, but they appear to all add up and make sense. One problem comes from the fact that she's been offered and accepted a price for her part exchange of £8,500, when she still owed a total of £16,170.77 on her finance for that car. This left her still owing over £7,500 for that previous car.

This is where her £5,000 deposit has gone to. In effect, she needed to finance around £11,000 for her new car, plus the £7,500 she still owed on her old car. That was a total needed to be covered of £18,866.77 (this is the cost of the new car, plus the finance she still owed on the old car, less the £8,500 part exchange figure for her old car.)

I suspect that the supplying dealership/CA were not prepared or able to lend £18,866.77 against a car which was only worth around £11,000, and this will be why she's been asked to put down £5,000 towards the transaction. So, her £5,000 has been used as part of this transaction, but it's gone to pay off some of her outstanding money owing for her previous car. This is perfectly fair, and the paperwork which Mrs R signed confirms all of this.

She's commented on the fact that she only got £8,500 for her car and the dealership put it on the forecourt for sale for a lot more, but I can't say that's unfair practices by the dealership. It was up to Mrs R to negotiate what she felt was a fair price for her car, and that's just a simple part of doing a deal you are happy with as a consumer. If she felt the car was worth more, she could have chosen to sell it privately or try to negotiate a different deal if she wanted to.

With regards to the transaction itself, Mrs R has said that she didn't get to see or read the paperwork, she was just given pages to sign. I'd expect, when signing a significant commitment like this, for a customer to only proceed and sign the paperwork if they'd been given chance to read it. I can see she has signed several items of paperwork, which confirm the details of the transaction and the paperwork she's been provided about it. On balance, I can't say that she's been treated unfairly here without any corroborating evidence for her claims, and there is none. It's also clear that she didn't complain immediately and had obviously taken the new car and started using it, so I'm persuaded this is what she wanted.

She's raised claims that the car she's been supplied isn't the one she was originally shown, but I don't agree with this. There were some changes of registration plate due to private registrations being added or taken off which may have confused her, but as the investigator pointed out, the VIN number is the same which confirms it's the same car.

And when considering whether a mis sale has occurred, I'm not persuaded that it has. The paperwork seems clear as to the transaction that has taken place, and I'm not persuaded that Mrs R has been mis led in anyway, or the car misrepresented to her. There are several items of clear paperwork which outline what is happening, which have also been signed by Mrs R to confirm she wants to go ahead on this basis. Her concerns regarding signatures were simply because an electronic signature appears in one place, which doesn't match her own, but this was just a different piece of paperwork which didn't require an actual signature on it.

Mrs R has also complained about the extras on top of the base price for the car, saying she didn't agree to them. They included a treatment for the car and an extended warranty, but again, these were all outlined on the paperwork that she has signed to say she wanted them, so I can't say anything wrong has been done here.

And Mrs R has also said it's not fair that she didn't receive her paperwork in the post until well after the 14 days when she could have cancelled. But I'm afraid she didn't have 14 days to cancel things, the withdrawal rights would only be from the finance, not the purchase of the car, so if she wanted to withdraw within 14 days, she would have had to pay off the finance by other means and keep the car. There is no "14 days to change your mind" in a hire purchase contract like this one. She was also sent the contract details by email, and I'm not persuaded by her argument that she couldn't access the document on her phone.

I'm sorry that her benefits have been reduced and she can't afford the payments for the car now, but I can't say it was mis sold or misrepresented to her. She's tried to return the car but as is their right, neither the dealership nor CA are prepared to just take the car back while things are up in the air and she has an agreement for it.

She's been told she will be charged a daily storage fee having left the car I believe at the dealership, but she doesn't have the right to give the car back, it's her responsibility until she agrees an end to the agreement with CA. I'd encourage her to speak to CA to discuss her options to terminate the agreement, and to ensure the car remains safe and in her possession in the meantime while she arranges a termination of the agreement with them.

But I'm satisfied that they haven't done anything wrong here, and I won't be asking CA to do anything more.

### **My final decision**

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or

reject my decision before 14 November 2025.

Paul Cronin  
**Ombudsman**