

## **The complaint**

Mr W complains about the balance owed under a conditional sale agreement with Volvo Car Financial Services UK Limited.

Throughout his complaint, Mr W has been represented by a member of his family. But, for ease, I'll just refer to Mr W.

## **What happened**

In August 2022, a conditional sale agreement with Volvo was taken out in Mr W's name. The agreement was put in place to buy a used car from a dealership, with a cash price of about £55,000. Under the agreement, Mr W was scheduled to make an advanced payment of £10,000 and then monthly payments of around £650 over a four year period. When the monthly repayments end, the remaining balance of the loan is then due in one lump sum.

Mr W says the borrowing was taken out fraudulently and he was unaware of the agreement until October 2023. He says the owner of the dealership was a close family member, who I'll call 'X'. So, Mr W says he approached X to raise his concerns.

However, Mr W says that he was unable to sort things out directly with X. And in April 2024, he asked Volvo to look into what had happened. Mr W told Volvo that he didn't take out the loan they had provided. Volvo didn't respond to Mr W's concerns, so he raised a complaint. Although Volvo considered Mr W's concerns, they didn't provide a final response. So, Mr W brought his complaint to us.

One of our investigators looked into Mr W's case and found that Volvo had treated Mr W fairly. He saw that Mr W had taken out other agreements with the same dealership and said that Mr W had made significant payments towards the loan, for around a year and a half. So, the investigator was persuaded that Mr W had authorised the start of the conditional sale agreement.

Mr W didn't agree and said he didn't make the advance payment to the dealership and that X had used his identification to fraudulently take out borrowing in his name. Mr W also told the investigator that X had done the same thing to other family members and that they had tried to report the matter to the police.

The investigator didn't change his conclusions and so Mr W's complaint has now been passed to me to make a 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.

Mr W has brought his complaint to us alongside other very similar cases from his immediate family. I have also noted that Mr W's representative has handled all the communication with us for all of those particular complaints. For this reason, I appreciate that my decision may

contain similar themes to others. But, I'd like to reassure Mr W that I've carefully read and thought about all the very specific details of his individual concerns, about the conditional sale agreement in his name.

Where the evidence is incomplete or inconclusive, as some of it is here, I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

### *The application in Mr W's name*

This case is about an application for a conditional sale agreement, which is a regulated financial product. As such, we are able to consider complaints about it.

There are a few possibilities that might give Volvo a proper basis for holding Mr W responsible for the balance due under the conditional sale agreement. They are:

- Mr W took out the agreement himself.
- A third party took out the agreement on Mr W's behalf, with his actual or apparent authority.

Mr W has told us that he didn't go to the dealership to sign any paperwork, or handle any application remotely. He says he didn't authorise anyone else to apply for the lending in his name. By way of explanation, Mr W says the dealership, and in particular X, had access to all the relevant details needed to complete the application. He says this was because he was a former director of the dealership.

Volvo have shown us where Mr W's correct name, address, date of birth, bank account number and telephone number was used in the application for the conditional sale agreement. They have also explained that Mr W was previously involved in the running of the dealership.

While I accept that X, or someone at the dealership may have had access to Mr W's records, I don't think the use of his correct details is consistent with a third party attempting to avoid Mr W becoming aware of their actions. In other words, I think there were several ways in which Mr W could have noticed the creation of the loan, soon after it was taken out.

Both sides of this dispute agree that Mr W was previously involved in the running of the dealership. Mr W says that his involvement ended several years before the conditional sale agreement started. So, I've considered the evidence we have, which gives a timeline of Mr W's relationship with the dealership since he ended his controlling interest.

During our investigation, Mr W provided us with a copy of his credit file. I can see from this document that separate from the agreement he has complained about, Mr W took out five other loans for cars with the same dealership between 2020 and 2023. I think this information shows that Mr W took out multiple borrowing facilities to acquire cars through X and the dealership. So, I'm persuaded that Mr W had previously authorised several separate agreements, similar to the one he complains about.

However, Mr W says that despite his previous involvement with the dealership and the cars he acquired with finance in the past, Volvo should not have continued its relationship with the dealership. He says the dealership had lost its franchise contract, so Volvo should have seen that as a sign that they shouldn't accept any further borrowing applications from that dealership.

Mr W hasn't provided any evidence to support what he says here. I accept that the dealership may have had their franchise contract ended with the manufacturer, but I've not seen anything to suggest that X or the dealership couldn't use Volvo as a lender for their customers. Because of this, I cannot say Volvo had acted unfairly in accepting the application for the conditional sale agreement in Mr W's name.

Having thought about all the evidence, I don't think the application process shows if Mr W was the victim of identity theft and application fraud. I don't think the information used in the lending decision, is typical of a third party attempting to get finance without a customer knowing. But, I don't think this information alone, is sufficient to decide whether it's likely Mr W took out the agreement himself, or gave his authority to X to act on his behalf.

So, I've considered the other evidence we have to decide if Volvo have treated Mr W fairly, by holding him responsible for the debt accrued under the conditional sale agreement.

#### *The repayments made under the agreement*

The conditional sale agreement in Mr W's name includes details of an advance payment of £10,000. Mr W says he didn't make this payment and that this supports his argument that he didn't authorise the start of the loan.

I accept that Mr W may not have made the advance payment himself. However, I'm also aware that it's not unusual for a payment of this type to come from another source. I can see where Mr W had another vehicle supplied by the dealership at the time, that may have been sold to raise the advance payment. However, I accept the loan agreement forms do not detail a part exchange arrangement. Additionally, a third party may make an advance payment on a customer's behalf.

So, I don't think the origin of the initial £10,000 instalment adds weight to Mr W's side of the dispute.

I've also thought about the monthly repayments used to service the conditional sale agreement with Volvo. I can see where a monthly Direct Debit was set up to take payments of around £650 and that this was in place for around eighteen months.

While I note that Mr W had raised his concerns with Volvo in April 2024, I think the value of the repayments is relevant. I say this because Mr W paid a total of around £11,000 to Volvo from the start of the loan. Given how Mr W has described his personal circumstances during this period, I think the total value of the repayments is significant.

Overall, I'm not persuaded the repayments would have gone unnoticed. Mr W says he didn't monitor his bank account, due to the stress he was experiencing. But, on balance, I think the monthly payment amount should have caused Mr W to raise his concerns sooner, if he didn't recognise or authorise the borrowing with Volvo.

In all the circumstances, I think the frequency and value of the loan repayments, support Volvo's view that Mr W had authorised the lending application.

#### *The other evidence available*

The details held about the application for the conditional sale agreement and its repayment history, are persuasive in showing where Mr W may have given his authority for Volvo to provide the borrowing. But, I've also considered the other evidence we have, to decide if it's fair for Volvo to hold Mr W liable for the outstanding balance of the loan.

Apart from potentially raising his concerns about fraud sooner with Volvo, Mr W had an opportunity to report what had happened to the police. I say this because I think it's reasonable that Mr W would be very alarmed at discovering a third party may have successfully applied for borrowing of around £55,000 in his name.

I've seen evidence from Mr W that he approached the police and a relevant national fraud reporting service in July 2024. Therefore, I acknowledge where Mr W took reasonable steps to report the dealership's actions as a possible crime. I can see from the copy of correspondence Mr W has provided that he took this action several months after he says he became aware of the agreement with Volvo.

Based on everything provided to us, I don't think Mr W reported the dealership's actions as soon as he says he discovered that his identity had been used to take out borrowing. This was despite the value of the loan and where he says he didn't take ownership of the vehicle the loan was used to purchase. It then follows that I think Mr W's steps to report the matter as a crime took longer than could reasonably have been expected.

Moreover, I can see from Volvo's records where they discovered that the car financed by the conditional sale agreement in Mr W's name was no longer in his possession. The records suggest the car was sold onto a different customer in February 2023. This was around six months after Volvo agreed to the borrowing application in Mr W's name.

I do of course understand Mr W's point, in that the car was subsequently sold to someone else. But, I don't think this means Mr W didn't authorise the loan, when it was agreed in August 2022.

While we review every case we look at on their own individual merit, I've also considered where Mr W's other family members have raised similar concerns. I empathise with all that Mr W has told us about how all the instances combined have impacted his close family. Nonetheless, I think the wide ranging concerns Mr W had about the dealership, may have also prompted him to have contacted the police sooner.

Mr W has also sent us copies of documents showing where other customers of the dealership have taken legal action against X. Although I can see that action is ongoing, I cannot see where Mr W has taken action himself, to try and recover funds from the dealership.

In all the circumstances, I don't think the other evidence available supports Mr W's argument that the conditional sale agreement was taken out without his authorisation. I do not doubt that Mr W's relationship with X has broken down because of the borrowing with Volvo. This is clear from looking at the correspondence he has shown us from between family members. But I don't think the evidence demonstrates where Mr W was dissatisfied with any arrangement he may have had with the dealership in August 2022.

### *Summary*

I can see from what Mr W says that his relationship with X has broken down significantly. I also acknowledge the extremely difficult health and financial circumstances he says he is dealing with. But, I'm not persuaded that X applied for the borrowing without Mr W's knowledge or authorisation.

Having considered all the evidence, I don't think Volvo are acting unfairly by deciding that the most likely thing to have happened, is that Mr W gave his authority, or apparent authority for the opening the conditional sale agreement. Therefore, I don't find I have the grounds to direct Volvo to stop pursuing Mr W for the outstanding debt owed.

From what I've seen, it seems that Mr W has made only some of the repayments to Volvo since the start of the loan. So, it's likely that a balance remains owed by Mr W. I recognise this will likely add to the difficult financial position that Mr W has explained, in that he needed to sell his house and use all his personal savings. This must be a very troubling time and I empathise with all that he has told us.

In this instance, I remind Volvo of their responsibility to treat Mr W's current financial circumstances with due consideration and forbearance. This will mean working with Mr W to make sure he is able to make affordable repayments to any outstanding debt, if he's unable to make a lump sum payment.

### **My final decision**

My final decision is that I don't uphold Mr W's complaint.

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

Sam Wedderburn  
**Ombudsman**