

The complaint

The estate of Mr C complains that Arnold Clark Automobiles Limited ("AC") mis-sold finance to Mr C to enable him to buy a car. The estate is represented by a firm of solicitors.

What happened

On 15 April 2022 Mr C completed an agreement to purchase a new car which was funded in part by finance brokered by AC. What happened in the lead up to the purchase is disputed. The solicitors say that Mr C was telephoned by AC on 22 March and was sold the car. It has said the car was delivered to Mr C and he was provided with unsigned documentation.

In September 2024 a complaint was made to AC by the solicitors who said that the PCP agreement didn't comply with the Consumer Credit Act 1974 and AC failed to disclose sufficient information prior to the delivery of the vehicle and took a first payment for the finance prior to providing the necessary information relating to the finance.

It added that AC had failed to properly explain to Mr C his rights to voluntary termination and they should've made sure he understood his legal rights to terminate his finance agreement early. This complaint seems to have been triggered by a request from AC for a payment of £5,000.

AC said that Mr C had visited its premises after being called and told of a deal which was available on a new car. It explained that he had made a previous purchase and had agreed to be notified of future opportunities. It said Mr C had been presented with the relevant documents and he had signed these. It also explained that he had taken them away to consider before committing to the purchase. It denied the claims made by the solicitor.

A complaint was brought to this service and considered by one of our investigators who didn't recommend it be upheld. She explained that this service could only consider AC's role as a broker of the finance and not any other activity relating to the sale of the car. She also explained that this is an informal dispute resolution service. The solicitor provided a statement from Mr C's daughter in which she explained his personal circumstances and that he had said he purchased the car over the phone. She believed her father had not made an informed decision and had been heavily influenced by the £500 cashback offer.

Our investigator was satisfied that Mr C had been given the required documents and he had signed these and indicated at AC's premises. She took note of the statement from Mr C's daughter, but she didn't believe this allowed her to reach a different conclusion. The solicitors had argued to this service that the signatures on the documents were fake, but this had not been put to AC when the complaint was made so our investigator was unable to comment. This was later put to AC which said that they were e-signatures on an e-pad and so would be different from those written on paper.

The solicitors asked that the complaint be considered by an ombudsman. It also asked that we engage a handwriting expert to establish if the signatures were forged. It also asked that we review the original documents and we should independently verify the call records for the call in which it was alleged Mr C bought the car.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

Firstly, I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure both parties that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them. I would add that we are an informal dispute resolution service and I am empowered to reach a decision based on the evidence I consider to be relevant.

Having reviewed that evidence I think it leads to the conclusion that Mr C was contacted by phone by AC to let him know about a cash back offer of £500. He may well have said that he purchased the car by phone, but the documentary evidence I have seen shows that he attended the premises of AC to make the decision as to whether he wished to proceed with the purchase.

I have no reason to conclude that the documentation was forged in any way. Mr C's daughter's testimony says that he rarely went out and wouldn't have left his wife for whom he was her carer. I cannot say that is sufficient to allow me to overlook the paperwork and AC's internal records which indicate that the sale was made at its premises and that the documentation was properly signed.

It has also been said that AC had a copy of Mr C's driving licence from his previous purchase so it didn't need access to this when completing the sale. The old car which was used as part exchange in the purchase of the new one was registered in either late 2018 or 2019. The documentation for the new car contains a copy of Mr C's driving licence which was issued in March 2021 which indicates that Mr C provided his newer licence which was then photocopied by AC. That suggests he was present at AC's premises.

It has been argued that the signatures are not Mr C's. AC has said they were signed electronically. I do not consider it appropriate for this informal service to engage the services of a handwriting specialist. I can only suggest the solicitors look at the signature on the finance document which appears not to be an e-signature and that on Mr C's driving licence. I do not consider there are grounds for regarding the signatures as being forged.

Given the passage of time I would not expect AC to have retained a record of the call and it is not obliged to do so. I have been given no reason to suspect it does have a recording which it is withholding other than the assertions made by the solicitor. In summary I am satisfied that the proper documentation was completed and Mr C was made aware of the relevant information to allow him to make an informed choice.

Finally, the fact he is described as a house owner in error on the application document is not sufficient to invalidate the finance arrangement and so I do not consider I can uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr C to accept or reject my decision before 20 November 2025.

Ivor Graham
Ombudsman