

The complaint

Mr B, a sole trader, trading as Company G, complains that when he took out a Hire Purchase (HP) agreement with Propel Finance (Propel) it didn't offer him the best option available and incorrectly charged VAT. He would like the potential for misrepresentation to be removed from HP agreements.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my 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 have reached the following conclusions:-

- From the information I have seen the only redress Mr B has requested is for what he sees as potential misrepresentation to be removed from HP agreements. I need to make it clear that in this decision I can only look at the agreement Mr B had with Propel and its actions. It's not in our remit to look at the provisions of HP agreements generally.
- A lot of Mr B's points relate to value added tax (VAT) added to his agreement. If I have understood him correctly, he feels that the purchase price and VAT on the vehicle were used to arrive at the overall credit agreement figure on which interest was charged. He doesn't feel this is fair as he says this means he is being charged interest on the VAT payment.
- Whilst I understand the point Mr B is making as our investigator has already correctly noted we have no jurisdiction over tax matters. Mr B would need to contact HMRC if he feels Propel has acted improperly with regard to how it has applied VAT to his agreement.
- Mr B has made the point that when he took out the HP agreement an outright loan would have been a better option for him. I appreciate it's difficult for Mr B to evidence any point of sale conversations he had. However I have no evidence to suggest the agreement wasn't suitable or not explained to him.
- I have seen the HP agreement and pre credit contract information which clearly state the amounts that make up the agreement and the interest rate. Mr B didn't have to go ahead with the agreement if he didn't feel it was suitable.
- Mr B also had a 14 day cooling off period during which he could have changed his mind and not gone ahead with the agreement. I have seen correspondence from Propel in April 2025 replying to Mr B's queries over the agreement. In this correspondence Propel reminded Mr B of the cooling off period. So I think Mr B had the opportunity if he wasn't happy with the agreement not to go ahead..

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 9 December 2025.

Bridget Makins
Ombudsman