

## **The complaint**

Mr P is unhappy that the vehicle supplied to him under his hire purchase agreement with FIRST RESPONSE FINANCE LIMITED was overpriced, and that this was misrepresented to him.

## **What happened**

In September 2023, Mr P was supplied with a used car through a hire purchase agreement with FIRST RESPONSE FINANCE LIMITED (FRF). The cash price of the car was £9,995.00. The total payable listed on the agreement was £15,230.40, payable in 48 monthly instalments of £317.30.

Mr P stated that he started to have concerns around the value of the car under the agreement due to damage and poor quality. Mr P said the car was not worth what it was sold for and is now worth less than what is payable on the agreement. Mr P added that he's had quotes from dealers explaining the car should've been up for sale for less than it was. As he was unhappy, Mr P complained to FRF. FRF did not uphold the complaint in its final response. FRF stated the price of the car is set by the dealership so they have no say in this, and the price was within the maximum amount FRF are able to lend based on the valuations. These valuations do not take into account what the dealer paid for the car or the condition of it, meaning flexibility is allowed in the percentage FRF can lend above retail price.

Mr P was unhappy with this and brought his complaint to this service where it was passed to one of our investigators. The investigator didn't uphold the complaint. They explained that FRF are not responsible for setting the price, and that there was no misrepresentation. Mr P disagreed with the outcome and as such, I've been asked to review the complaint 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.

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.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr P was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it. (add CRA bit here? Sec 56?)

This is a complaint in part about misrepresentation. For misrepresentation to be present, there would need to be a false statement of fact and, in this instance, that false statement of fact would've had to induce Mr P to acquire the car under his hire purchase agreement. When considering if a false statement of fact has been made, I'm unable to see any evidence to show that this has happened. I don't have anything showing that the dealership misled Mr P about the condition or value of the vehicle or made any false statement of fact about its history. I can see Mr P is unhappy with his vehicle, and has sent in images of areas of concern, however this alone does not show that the dealership made a false statement of fact when the vehicle was sold. I also have no evidence to rely on in regard to the condition the vehicle was sold in. In this case I'm not persuaded there was a misrepresentation either deliberately or by omission.

I've then considered the overpricing issue. I understand Mr P is very unhappy about this, as he feels he's significantly overpaid for the vehicle. Mr P has explained he's been told by other dealers that the vehicle should have been up for sale for around £8,150 in mint condition.

Whilst I acknowledge Mr P's frustration and feeling about the price of the vehicle, FRF do not set the price of the vehicle, this is down to the selling dealership. Whilst I'd like to see vehicles priced fairly, there is also onus on the customer to ensure they are happy with the price they are paying for the vehicle they are obtaining.

A consumer is under no obligation to accept a price a dealership is offering, and pricing variation will exist in car sales. This may take into account specific vehicle circumstances including what a dealer themselves has paid for a car and a desire to make a profit on a vehicle.

As explained, FRF are not responsible for setting the price, so I can't say they've acted unfairly on this. FRF have explained that when lending they use a market value tool to take an average vehicle value, and allow flexibility in the percentage FRF can lend above retail price. FRF have acted within their policies and I have nothing to show that this was unfair on this occasion, although I appreciate why Mr P feels the car should not have been priced as it was, and that FRF should not have financed the vehicle for that price. To be clear I am not making a finding on if the price the car was sold for is fair or correct or what the value of it should have been, as this is not in my remit to do so and FRF are not responsible for setting the price.

As a note I can see in some follow up correspondence to the investigator's outcome, Mr P has suggested that FRF may have lent to him irresponsibly. I'm unable to consider an irresponsible lending complaint at this stage as I can't see this has been raised previously to FRF, giving FRF the chance to investigate and issue a final response. Mr P may well be able to raise this with FRF if he feels FRF have lent to him irresponsibly.

Having kept all the nuanced information in mind during this complaint, I am not persuaded FRF have treated Mr P unfairly here, although as explained I acknowledge why Mr P feels it has.

### **My final decision**

For the reasons I've explained, I don't uphold Mr P's complaint about FIRST RESPONSE FINANCE LIMITED.

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

reject my decision before 9 January 2026.

Jack Evans  
**Ombudsman**