

The complaint

Ms O complains that Tandem Motor Finance Limited did not accept her request to reject a car.

What happened

In September 2024 Ms O acquired a second hand car at a cost of £9,294 funded by a hire purchase agreement with Tandem. The car was advertised as ULEZ compliant and Ms O says this was confirmed by the sales representative. She complained to the dealer in May 2025 and shortly thereafter she contacted Tandem. The dealer told Ms O she should have checked the car met her requirements and said the advert carried a disclaimer to that effect. It also noted some eight months had passed since the purchase.

Tandem rejected Ms O's request, but offered to "liaise with the dealership with regards to them potentially buying the car back with a deduction for the mileage you have covered in the last 9 months and any damage that the vehicle may have incurred..."

Ms O brought her complaint to this service where it was considered by one of our investigators who recommended it be upheld. Ms O explained that by November 2025 she had only driven 3,941 miles in the car and had restricted her use of it due to the cost of ULEZ.

The investigator noted the advert stated quite clearly the car was ULEZ compliant and this had been sufficient to persuade Ms O that this was true. He didn't believe the disclaimer in the small print was sufficient to offset the advert.

Tandem didn't agree and said it was the customer's responsibility to check the car was ULEZ compliant and in any event the car was of an age that it could not have met Ms O's requirements.

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.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any courtesy by this – it just reflects the informal nature of our service. I also want to assure Ms O 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.

Having done so I consider this complaint should be upheld. I will explain why.

Under Section 56 of the Consumer Credit Act, finance providers can be held liable for what

the credit broker and seller say about the goods (vehicle) before the regulated credit agreement is entered into by the consumer and before the purchase is made.

This refers to 'antecedent negotiations'. This means if Ms O entered a credit agreement for a vehicle and it turns out something he was told about the agreement by the credit broker, which induced him into entering the contract, was false, the broker can be held responsible for the actions of the broker under certain circumstances.

The question I have to decide is was the car misrepresented to Ms O by the advert and by the dealer. On that final point I have no evidence of what was said by the dealer, but she asserts she was told the car was ULEZ compliant.

The concept of inducement in misrepresentation

For an actionable misrepresentation claim, the false statement must have been an inducement to the contract. The key principles, outlined in sources discussing *Chitty*, are:

- **A question of fact:** The court will decide, based on the evidence, whether the representee was induced by the misrepresentation to enter the contract.
- **Materiality:** The statement must be a material one, meaning it must be "of a nature likely to have played a part in the decision of a reasonable person" to enter the contract. A representation that is substantially correct will not be considered a material inducement.
- **Not the sole inducement:** The misrepresentation does not need to be the only reason the claimant entered the contract. It is sufficient that it was "an" inducement that influenced the decision.
- **Knowledge and reliance:** The claimant must have known about the misrepresentation and actually acted upon it. For instance, in a case of concealment, if the buyer never inspected the product, they could not have been induced by the concealed defect.

Having considered the advert which sets out that the car is ULEZ compliant very prominently I am satisfied that it can be said to have induced Ms O to acquire the car. Given she lives within the ULEZ zone this would have been a matter of some importance and it reasonable to conclude that she relied on both the advert and what she was told. It was a material fact and while it may not have been the only reason for her acquisition it was one that influenced her decision.

I consider the car was misrepresented and the fact that there was a disclaimer in the small print does not allow me to conclude otherwise. Tandem and the dealer have argued that one should ignore misrepresentation and place all responsibility on Ms O. I see no basis for that argument. If the dealer had been silent about the issue of ULEZ then Ms O would have no basis for her claim, but it actively sold the car as ULEZ compliant and so it misrepresented the car and did so on an important quality of the car.

Given there was misrepresentation it is open to Ms O to reject the car which is what she has chosen to do.

Putting things right

I consider Tandem should:

- end the finance agreement immediately, ensuring Ms O is not liable for monthly rentals after the point of collection (it should refund her any overpayment for these, if applicable)
- take the car back (if that has not been done already) without charging for collection
- refund 20% of all monthly rentals paid, to cover the impaired use, because of the misrepresentation of the goods, along with 8% annual simple interest from date of payment to the date repaid.
- if Ms O can evidence the TFL fines then these should be refunded along with 8% simple yearly interest
- remove any adverse information from Ms O's credit file in relation to the agreement.

My final decision

My final decision is that I uphold this complaint and I direct Tandem Motor Finance Limited to take the actions set above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 3 February 2026.

Ivor Graham
Ombudsman