

## The complaint

Mrs B complains that Lithia Financial Service Limited trading as Evans Halshaw mis-sold a fixed sum loan agreement it brokered for her.

## What happened

In November 2024, Mrs B purchased a second-hand vehicle from an Evans Halshaw dealership in cash. Mrs B explains that the sales advisor then introduced a Premium Guarantee (a type of extended warranty) and two other damage cover type products. Mrs B says she was reluctant to take these out given the age of the vehicle. But the sales advisor explained these could be paid for monthly and cancelled at any time. So, Mrs B went ahead. The Premium Guarantee cost £1,095 and Mrs B needed to make 36 monthly payments of £38.81 to a company I'll refer to as 'W'. The other two products were to be repaid over a 10-month period.

In February 2025, Mrs B wanted to use the Premium Guarantee but was told she first needed to pay a £170 inspection fee that was non-refundable. Unhappy with this cost Mrs B says she instead had the vehicle repaired via a local garage. Mrs B then cancelled the monthly direct debits for the Premium Guarantee and other two products based on her understanding these could be cancelled. Mrs B was advised the two damage type policies were cancelled. However, in April 2025 W contacted Mrs B to advise her she needed to make payment in light of her direct debit being cancelled.

Mrs B said she spoke to W and was told she had taken out a 36-month fixed sum loan to pay for the Premium Guarantee. Unhappy with this Mrs B complained to Evans Halshaw. She said at no time had she been made aware she was taking out a loan to pay for the Premium Guarantee and she wouldn't have agreed to enter into a fixed sum loan that she couldn't cancel.

Evans Halshaw issued its final response on 18 June 2025. In this it said Mrs B had agreed to the fixed sum loan and received a copy of the agreement from W. It said the agreement and pre-contract information clearly explained a loan was being used to finance the Premium Guarantee and what that entailed. As such, Evans Halshaw said Mrs B had been given sufficient information before she agreed to enter into the fixed sum loan and doing so had been her informed choice.

Mrs B didn't agree and referred her complaint to the Financial Ombudsman Service. Mrs B said she hadn't received a copy of the agreement, her electronic signature on it contained her maiden name which she wouldn't have used and so didn't agree to it. One of our investigators considered the complaint but didn't think it was one that should be upheld. They acknowledged Mrs B testimony didn't think that alone was enough to say Evans Halshaw mis-sold the agreement. They said the direct debits were being paid to W, but the Premium Guarantee was supplied by Evans Halshaw. They also added that in Mrs B's complaint email to Evans Halshaw she had said she's signed the agreement in good faith but had now said she didn't sign the documents. The investigator added that unless Mrs B had given Evans Halshaw her maiden name, they couldn't see how it would've had this information.

Mrs B continued to disagree and said a fixed sum loan hadn't ever been discussed, she didn't agree to one and didn't sign one. Mrs B reiterated that she would never have signed

with her maiden name being included. Mrs B also provided other documents from the time she purchased her vehicle with Evans Halshaw. Mrs B said these also weren't signed by her and the answers given on the demands and needs section weren't provided by her. So, Evans Halshaw had made false statements here so it's reasonable to conclude the same happened with the sale of the fixed sum loan agreement.

The investigator responded and said unless Mrs B gave Evans Halshaw her maiden name, they don't know how it would've had that information. They said given a signed agreement exists, they remained satisfied Mrs B was aware and agreed to it. The investigator acknowledged the other documentation Mrs B had provided but said any possible incorrect answers on the demand and needs doesn't mean the loan agreement was mis-sold. Mrs B asked for an ombudsman's decision on her complaint reiterating she didn't give Evans Halshaw her maiden name, didn't sign the finance agreement and was never provided a copy of it.

As Mrs B didn't agree, the complaint has been passed to me to decide.

### **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.

I would like to point out 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.

It's also important to note that I can only consider Mrs B's complaint about Evans Halshaw to the extent that it relates to a regulated activity. Here that is limited to the sale of the fixed sum loan agreement. Where the facts are in dispute, incomplete or inconclusive and I can't know exactly what happened, I have to decide what's most likely on a balance of probabilities – that is, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mrs B states a loan agreement wasn't ever discussed with Evans Halshaw and she certainly didn't agree to take one out. She says what she did do was ask the sales advisor to be able to pay monthly for the Premium Guarantee, which was agreed.

Evans Halshaw has provided a copy of the loan agreement that it says Mrs B agreed to. This is clearly labelled as a fixed sum loan and describes the product being financed as a warranty. On balance I find it more likely than not that the terms of the loan would've been discussed during the sales process. Mrs B wanted to pay monthly and the loan was how that was to be accomplished.

Mrs B has explained the sales advisor told her the agreement was with W and her repayments were being made to W. W is a totally separate financial firm not mentioned on the paperwork for the Premium Guarantee. The policy document states its being provided by Evans Halshaw. I'm persuaded here that Mrs B agreed to pay W via the direct debit form that she doesn't dispute signing, because discussions likely had taken place that finance was being used to pay for the Premium Guarantee. This is evidence by the fact Mrs B was aware of the total price and that she was making 36 monthly payments of £38.81. The total of those 36 repayments equates to £302.16 more than the purchase price. So, I believe it fair to say this indicates interest was being applied because a loan was being provided.

I wasn't there when this took place, so I can't say for sure what was discussed. I have considered Mrs B's testimony, but overall and taking the other evidence into consideration, I'm persuaded here that the fixed sum loan agreement was discussed and accepted by Mrs B. Mrs B has said she didn't sign the loan agreement despite it being electronically signed.

Given what I've said above, it follows that I also feel Mrs B agreed to electronically sign the agreement in this case so she could pay monthly via the loan that was being provided.

Mrs B has stated that the electronic signature contains her maiden name which isn't something that she would've ever used. I do note the same electronic signature name is given on the direct debit form that Mrs B doesn't dispute signing. I don't know why Mrs B's maiden name has been included, but I don't agree it means Evans Halshaw signed without Mrs B's consent. I find it more likely that Mrs B gave this information to Evans Halshaw, as I can't see how it would've known her maiden name otherwise.

Mrs B has said she wasn't given a copy of the agreement. I can't look at the actions of W as part of this complaint. A complaint against W has already been considered by another ombudsman, and I've taken that decision into consideration here. By signing the agreement, I am satisfied that Mrs B would've had the opportunity to read the terms before agreeing. So even if Evans Halshaw did fail to provide a copy, I don't believe that would've materially impacted things here given the other findings I've reached. Ultimately, that being I'm persuaded here that the loan was discussed and the terms agreed to.

I appreciate Mrs B will strongly disagree with this and will be very angry and upset with my findings on her complaint. These are made on what I think is most likely based on the circumstances and evidence provided. I can't for example call and cross-examine witnesses. So based on what has been provided here, I don't believe there is sufficient evidence for me to safely say that Mrs B had no idea she was entering into a loan agreement or that Evans Halshaw mis-sold the agreement.

### **My final decision**

I don't uphold Mrs B's complaint against Lithia Financial Service Limited trading as Evans Halshaw.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 3 March 2026.

Paul Blower  
**Ombudsman**