

The complaint

X is unhappy that Hyundai Capital UK Limited trading as Hyundai Finance misrepresented a fixed sum loan agreement to him.

What happened

In March 2023, X was supplied with a new car through a fixed sum loan agreement with Hyundai. He paid an advance payment of £14,000 and the agreement was for £35,663.41 over 49 months; with 48 monthly payments of £459.89 and a final payment of £23,706.

In 2025, X asked Hyundai if he could voluntarily terminate ('VT') the agreement and hand back the car. However, Hyundai explained that there was no VT option within the agreement he had with them. Unhappy with this, X complained to both Hyundai and the Financial Ombudsman Service that the agreement was misrepresented to him – he said it had been represented as a personal contract purchase ('PCP') agreement (a type of hire purchase agreement) that would allow VT.

Our investigator said that the agreement X reviewed and signed was clear in that it was a fixed sum loan agreement, which didn't allow for VT. The investigator said that, while a fixed sum loan agreement and a PCP agreement had similarities, this wasn't enough to say there had been misrepresentation. So, they didn't think Hyundai needed to do anything more.

X didn't agree with the investigator's opinion. He didn't think the "*contradictory pre-contract documentation [or the] use of PCP terminology and inverted hybrid wording in documents relating to a Fixed-Sum Loan*" had been taken into consideration. He said these had led him to enter into an agreement "*under a false understanding*", so he's asked that this matter be passed to an ombudsman 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

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. X was supplied with a car under a fixed sum loan agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

When considering this matter, I've also taken into consideration section 56 of the Consumer Credit Act 1974. This states that any negotiations conducted by the credit broker or supplier

of goods are deemed to be conducted in the capacity of an agent of the creditor, and that this includes all communications and representations made. This means that, in this case, any discussions, communication, or representations made by the credit broker or supplier of goods in respect of the nature of the agreement were done so as an agent of Hyundai, for which Hyundai remain liable.

This is a complaint about misrepresentation. For misrepresentation to be present there must (a) have been a false statement of fact (either directly or by omission), and (b) that false statement of fact must have induced, in this instance, X to have financed this particular car with Hyundai. Misrepresentations can be fraudulent (where a false statement of fact is made by someone knowing it's untrue), negligent (where a false statement of fact is carelessly made without reasonable grounds for believing it to be true), or innocent (where the false statement is neither negligent nor fraudulent).

Before I explain why I've reached my decision, I think it's extremely important for me to set out that a fixed sum loan agreement and a PCP agreement have many similarities. As such, the use of language and explanation of terms that are applicable to both types of agreement does not mean that one type of agreement is being misrepresented as a different type of agreement. What's important here is what the documentation says about the agreement type, and whether there's any misleading statements about this, or about what makes the agreement types different, for example in ability to VT the agreement.

X has specifically referred to the misleading nature of the pre-contract documentation. As it's reasonable to expect that X read this before making any decision to enter into an agreement with Hyundai, I'm in agreement with the importance of this documentation.

I've reviewed Hyundai's Pre-Contract Credit Information document supplied by X as part of his evidence in this matter. Under the heading "*2. Key features of the credit product*" on the first page of this documentation, this clearly says "*The type of credit: Fixed Sum Loan.*" While other information on this document is applicable to multiple types of agreement, for example the advance payment, regular monthly payments, and balloon payment; there's nothing in this document that alludes to it being a PCP agreement. What's more, terms that you would expect to find within a PCP agreement i.e., the ability to VT and a mileage limit, aren't present.

The Explanation Leaflet X was provided as part of the pre-contract information, and which he's provided as part of his evidence, also starts with the question "*is a fixed sum loan agreement suitable for you?*" before going on to explain how a fixed sum loan agreement works.

X has also provided a document entitled "*Personal Contract Purchase*", but this clearly states "*we have accepted your proposal as a Fixed Sum Loan Personal Contract Purchase*" with the 'fixed sum loan personal contract purchase' being in red text, so it stands out from the rest of the document and is immediately visible. This then goes on to explain how the agreement works, with the explanation given being that of a fixed sum loan agreement.

Finally, X has provided a Finance Requirement Statement, which does recommend a PCP agreement with a mileage limit of 6,000 miles a year. However, the section that requires X to sign and date to accept this recommendation remains blank. And, as I've said, the remaining documentation makes no reference to this mileage limit, or about the agreement being a PCP agreement.

In his comments on the investigator's opinion, X had said that these documents, when taken together, create the false impression that the agreement was a PCP agreement. I have to disagree with X on this – while it certainly looks as if a PCP agreement may have been

discussed, these documents make it clear that the agreement is a fixed sum loan agreement, with all the terms provided being those both generally and specifically applicable to this type of agreement.

Turning to the agreement itself, this is headed "*FIXED SUM LOAN AGREEMENT REGULATED BY THE CONSUMER CREDIT ACT 1974.*" So, I'm satisfied this is also clear that it's not a PCP agreement. I've also noted that X has said he'd previously had two PCP agreements, and he believed he was taking out a PCP agreement. As such, I think it's fair to say that X would've known that a fixed sum loan agreement wasn't a PCP agreement, but he signed the finance documentation regardless, accepting the terms.

Given the above, and while I appreciate this will come as a disappointment to X, I'm not satisfied there's been a false statement of fact that X was entering into a PCP agreement with Hyundai. And, without a false statement of fact there is no misrepresentation. So, I won't be asking Hyundai to do anything more.

My final decision

For the reasons explained, I don't uphold X's complaint about Hyundai Capital UK Limited trading as Hyundai Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 14 April 2026.

Andrew Burford
Ombudsman