

The complaint

Mr D complains that Zopa Bank Limited (Zopa) stopped him exercising his rights to withdraw from his finance agreement within 14 days.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In March 2025 Mr D entered into a regulated hire purchase agreement with Zopa to finance the purchase of a used vehicle. The agreement was signed electronically on the 6 March 2025.

Mr D says he did not receive a copy of the executed credit agreement, terms and conditions or welcome documentation at the time of signing. He says this prevented him from understanding the terms and from exercising his statutory right to withdraw within 14 days. He also says that during a telephone conversation he was told he had 30 days to change his mind and that the agreement could be cancelled if there were issues.

Zopa says an automated e-mail was generated when the agreement was signed, which included confirmation of key details and links enabling the customer to view the agreement. It says the 14-day withdrawal period therefore began at the outset and had expired by the time Mr D requested a copy in September 2025. It does not agree that the agreement can now be unwound.

Our investigator didn't think Zopa had done anything wrong, so Mr D has asked for a decision by an ombudsman.

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 agree with the investigator's view of this complaint, for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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.

First, in relation to the provision of the agreement, I am not persuaded that Zopa's process of requiring the customer to select a link before the agreement is sent is, in itself, enough to render the agreement invalid or unenforceable. The evidence shows that Mr D entered into the agreement electronically, received confirmation of the finance and direct debit details,

and proceeded to take delivery of, and use, the vehicle. He made monthly payments for around six months before raising concerns about withdrawal.

Even if I were to accept that the executed agreement was not as clearly provided as it might have been, withdrawal under section 66A of the Consumer Credit Act applies to the credit agreement only, not the underlying vehicle purchase. Exercising that right in March 2025 would have required the payment of the credit advanced. It would not have allowed Mr D simply to return the vehicle without further liability. In the circumstances, I am not persuaded that it would now be fair or proportionate to unwind the agreement in full after extended use of the car.

Secondly, Mr D says he was told he had 30 days to change his mind and that everything could be cancelled. I have carefully considered this allegation. However, the written agreement clearly sets out the 14-day withdrawal right and the distinction between withdrawing from the finance and ending the agreement through voluntary termination. I have not seen persuasive evidence that Zopa gave materially misleading information which overrides the signed contractual terms. On balance, I'm not satisfied that the agreement was entered into on the basis of a misrepresentation that would justify rescission.

I appreciate that Mr D feels strongly that he did not have adequate documentation at the outset but having considered the agreement, the timeline and the statutory framework, I do not find that Zopa has acted in a way that would justify requiring it to unwind the agreement now.

Mr D also complains that he wasn't allowed to withdraw from the warranty he purchased with the car. I can't see that a warranty was funded through the agreement with Zopa, so Mr D will need to take that up with the party who funded that arrangement or through whom the warranty was provided.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 23 March 2026.

Phillip McMahon
Ombudsman