DRN-6159553

The complaint

Mr S complains about a car he acquired from a dealer, under a conditional sale agreement with Hyundai Capital UK Limited trading as Hyundai Finance.

Throughout his complaint, Mr S has been represented by a member of his family. But, for ease, I'll just refer to Mr S.

What happened

In September 2023, Mr S took out a conditional sale agreement with Hyundai to get a used car with a cash price of around £17,500. Under the agreement Mr S made an advance payment of £100 and was required to make monthly repayment of about £315 over a four year period. At the end of that time, a final payment of around £9,000 was due.

About a year later, Mr S says the car was stolen from outside his house and he reported the theft to the police. But, Mr S subsequently found the car himself, in his local shopping centre car park. And because he still had the keys, Mr S decided to drive the car to the police station. Once there the police noted that the car had the incorrect registration plate and chose to seize it.

Following a short investigation, the police told Mr S that he could collect the car. But, Mr S says he'd been told by his insurer that the car had been reported as stolen, before he had acquired it. So, Mr S refused to collect it and said the car shouldn't have been sold to him in the first place.

Mr S's insurer collected the car and told him it had been returned to its rightful owner. Because Mr S was left without a car, he complained to Hyundai and said the dealer had supplied him with a stolen vehicle. Mr S also cancelled the Direct Debit used to make the monthly payments under the agreement.

In their final response to Mr S's complaint, Hyundai said that neither the police report, nor their own records showed that the car had been reported as stolen. They said the car was held with Mr S's insurer, so he should contact them to have it returned.

Mr S didn't accept that response and said his insurer had told him the car they collected from the police wasn't his. So, Mr S brought his complaint to us and said Hyundai should refund the repayments he had made to Hyundai, end the agreement and remove any missed payment information from his credit file.

One of our investigators looked into Mr S's complaint and found that Hyundai had treated Mr S fairly. She didn't think the dealer had supplied Mr S with a stolen car and that it was reasonable for Hyundai to expect Mr S to maintain the repayments under the agreement. The investigator also said the car had been placed back with Hyundai by the insurer.

Mr S didn't agree with the investigator's findings and said the documents he had provided prove the car was a clone. He explained that he wanted Hyundai to acknowledge the dealer's actions and end the agreement with nothing further to pay.

The investigator didn't change her conclusions and Mr S's complaint has now been referred to me to make a decision.

I sent Mr S and Hyundai my provisional decision on this case, on 16 January 2026. I explained why I didn't think the complaint should be upheld. A copy of my provisional findings is included below:

Where the evidence is incomplete or inconclusive, as some of it is here, I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

The finance agreement

This case is about an application for a conditional sale agreement, which is a regulated financial product. As such, we are able to consider complaints about it.

Section 56 of the Consumer Credit Act 1974 (Section 56) makes finance providers responsible for misrepresentations made by an agent during negotiations. In Mr S's case, Hyundai is the finance provider and the dealer is the credit intermediary or agent.

These negotiations were in the lead up to the signing of the agreement, starting from when Mr S first spoke to the dealer. But essentially, this means Hyundai are responsible for the acts or omissions of the dealer in relation to the sale of the car to Mr S. In other words, Hyundai are responsible for the things the dealer said, did, didn't say, or didn't do during the sales process.

The actions of the dealer

The crux of Mr S's complaint is that he says the dealer sold him a stolen or cloned car. He says the car was then seized by the police and eventually returned to its previous owner. So, I've looked at the sale of the car and where it's been, since Mr S took it to a police station in September 2024. This will help me decide if the dealer and Hyundai have treated Mr S fairly.

Before Mr S took out the finance agreement, Hyundai's records show there were three Hire Purchase Investigation (HPI) checks carried out on the car he bought from the dealer. The checks happened between June and August 2023, one month before Mr S applied for the finance with Hyundai. I can see where the details used in the HPI checks match the chassis number on the conditional sale agreement form and the record of the Vehicle Identification Number (VIN) noted by the police. So, I think the HPI checks were completed on the car supplied to Mr S by the dealer.

The HPI checks do not show where the car was recorded as stolen, before Mr S agreed to buy it. Furthermore, I can see where Mr S took the car for a Ministry of Transport (MOT) test in July 2024. Part of this test is to correctly identify the car. The results of the MOT test do not show where the registration of the car didn't match the VIN, or the chassis number.

Against this background, I'm not persuaded the car supplied to Mr S was stolen, or where the dealer had sold Mr S a car that had been cloned. I'm aware that Mr S may have a different opinion here. But, having thought carefully about all that he has said, I think the evidence surrounding the car's identity outweighs what he's explained. So, I think the dealer and Hyundai treated Mr S fairly when the car was supplied to Mr S in September 2023.

The whereabouts of the car

Mr S has provided us with persuasive evidence to show where he found the car, shortly after

he reported it stolen in September 2024. I've looked at the video Mr S has sent to us and I can see that it matches the description and a photograph of the car, from when he bought it a year earlier. Furthermore, I can see where the car has the same damage as reported by Mr S, and where he was able to open and operate it using the same key fob.

The only difference to the car was where it displayed a different registration plate, to that of the car supplied by the dealer. Mr S says the registration plate must have been changed by the thief, after it was stolen. After recovering the car, Mr S drove it to a police station. Once there, I can see from the police report that an officer checked the VIN and confirmed the car matched the vehicle Mr S had reported stolen.

Having considered all the evidence, I don't think the vehicle inspected by the police, was a clone of Mr S's car. All parties agree that the car was then seized by the police, but made available for Mr S to collect a few days afterwards. Indeed, the police's report explains where their investigation into the theft had ended with the crime being classed as unsolved.

I can also see from an email sent to Mr S in October 2024, where he was asked to take the car back into his possession. I think it was at this point, where Mr S could have started to use the car again, under the conditional sale agreement.

However, Mr S didn't collect the car from the police, and instead left it for his insurer to step in and remove the car from the police's compound. It's not clear why Mr S chose to do this, but it seems to have been prompted in some way by some confusion with the outcome of his claim with his insurer.

The documents Mr S has sent to us show where the insurer declined his claim and said the car was marked as stolen before Mr S had bought it. The insurer also told Mr S the car had been returned to its former owner. The insurer then changed their view some months later and said they still had the car recovered from the police. I can see from Hyundai's records that the insurer returned the car to them in September 2025, by which time, Mr S's finance agreement had already been terminated.

I know that Mr S says the police have yet to finalise their report about the theft and possible cloning of the car he bought. He says he'd like us to consider that evidence when the police produce it. But, I cannot see that the police have confirmed that their investigation is ongoing and I think Mr S has had a fair opportunity to send all that he wants to us to support his case. Moreover, I've found that the car supplied to Mr S wasn't marked as stolen before he got it and it's likely the same car was with the insurer, before being handed back to Hyundai.

On balance, I don't think the whereabouts of the car from September 2024 until now shows that it was stolen, or was a clone. I think the car referred to by the police, Mr S's insurer and Hyundai was the same vehicle as Mr S was supplied with by the dealer. I accept it's likely the registration plates were changed after Mr S had reported it as stolen, but the car itself was the vehicle he had bought.

I'm aware that since the car was returned to Hyundai by the insurer, they may have since sold it. I say this as Mr S has sent us a copy of a request to change the ownership of the car, he received through the post.

While I've not seen any evidence to suggest the sale was completed, I find it likely that any proceeds from the sale may be used to reduce the outstanding balance of the conditional sale agreement in Mr S's name.

To be clear, this complaint was about how Mr S was treated during the sale of the car and the finance agreement. I make no decision on the remaining figure Hyundai expect Mr S to

pay, and leave it to Mr S to make those enquires if he wishes to.

Summary

Mr S stopped making the repayments due under the conditional sale agreement in late 2024, around the same time as he was told to collect the car by the police. The agreement was then terminated by Hyundai in August 2025, because of the arrears.

While I understand why Mr S will have found this to be distressing, I think he had a responsibility to maintain the repayments. I say this because he had an opportunity to take back the car within a week of the theft.

In all the circumstances, I think it was fair for Hyundai to expect Mr S to keep to the repayments set out under the agreement. Having looked at everything, I don't think Hyundai made a mistake when they recorded the missed payment information with credit reference agencies.

So, in the very individual circumstances of this complaint, I think Hyundai have treated Mr S fairly, when the car was supplied in 2023 and when they looked into his concerns about its location in 2024. While I acknowledge all that Mr S has been through, I don't think Hyundai needs to take any action to put things right.

From what I've seen, it seems that Mr S hasn't made any payment to Hyundai since the end of 2024. So, it's likely that a balance remains owed by Mr S. I recognise this will likely add to the difficult financial position that Mr S has explained. This must be a very troubling time and I empathise with all that Mr S has told us.

In this instance, I remind Hyundai of their responsibility to treat Mr S's current financial circumstances with due consideration and forbearance. This may mean working with Mr S to make sure he is able to make affordable repayments to any outstanding debt, if he's unable to make a lump sum payment.

Hyundai responded to the provisional decision, but had nothing further to add. Mr S responded to the provisional decision and in summary, he said:

- The police told him the dealer had sold him a stolen car, and his understanding was that he was the victim of a fraud. He was then encouraged to take action against the dealer.
- He didn't have control of the car when the insurer handed it back to Hyundai, and wasn't able to influence its sale or the sale price.
- There is still evidence from the police and Hyundai that can determine if the car was previously marked as stolen, or legitimately sold to him by the dealer.
- It's unfair for Hyundai to hold him responsible for the remaining balance, as he was guided by people he had trusted, after the car was seized by the police.
- The missed payment information and outstanding balance of the loan are having a negative impact on his ability to purchase a house.

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.

Firstly, I'm sorry to hear of the worry Mr S has recently experienced with the health of a family member. I hope things have improved over the last few weeks and I'm grateful to Mr S for providing his further comments.

Many of the documents recently sent to us by Mr S were already included in our files. So, I don't think they provide any further details about what happened with the car, than I had previously considered.

I'm aware that Mr S wanted more information from the police about their review of the theft of the car from his house, and the amount received by Hyundai when they sold the car in October 2025. But, I can already see where the police ended their investigation into the theft in October 2025. And where the car given to Mr S by the dealer, was passed from the police to the insurer, then returned to Hyundai. So, I'm satisfied that a second vehicle wasn't involved, and that it was the change of registration plates, after the car was stolen from Mr S's home, that has caused the confusion.

Within his further comments Mr S has acknowledged where it was the police that intimated that the dealer may have done something wrong. I've not found that to be the case, as I've concluded that all the evidence shows the registration of the car sold to Mr S, matched the VIN and other information associated with it.

I can see where this may have been compounded by the insurer, when they initially told Mr S that they didn't have the car, but later changed their position. But, I don't think the information given to Mr S by the police, or the insurer was down to an error by Hyundai. Furthermore, I think Mr S was in a position to collect the car from the police, when they sent him a letter asking him to do so, not long after it was seized.

Mr S has explained that given what he was told by the police and his insurer, it was reasonable for him to cancel the Direct Debit to service the conditional sale agreement with Hyundai. He says it was unfair of Hyundai to have recorded the missed payment information on his credit file, and that he may now have problems with purchasing a house.

While I empathise with what Mr S says, I still don't think Hyundai's decision to terminate the agreement and record the missed payment details was unfair. I say this because Mr S was able to take back the car in October 2024 and continue with his repayments as planned. I understand he may have been hesitant to do so. But, in choosing not to collect the car and to then stop making the repayments, it meant he had breached the terms of the conditional sale agreement.

I can see where Hyundai wrote to Mr S in November 2024 and again in early 2025. In each message, Hyundai explained to Mr S that they didn't think he was sold a stolen car, or that the car had been cloned. They also told Mr S what he must do to make up the arrears built up under the agreement. So, in looking at Hyundai's part in all that has happened, I don't think they have made a mistake or treated Mr S unfairly.

Against this background, I still think it's fair of Hyundai to decide to hold Mr S responsible for the remaining balance due under the conditional sale agreement. But, in doing so, Hyundai must take into consideration Mr S's financial circumstances, in their discussions with him about the repayment of that balance. Additionally, I still think it's fair for Hyundai to pass on any missed payment information onto credit reference agencies, as that is a true reflection of Mr S's repayment history.

Finally, I acknowledge where Mr S has concerns over the price Hyundai accepted when they

sold the car in October 2025. To be clear, this is a new issue, separate to concerns Mr S raised about the behaviour of the dealer and I make no decision about the price Hyundai received from the sale here. So, Mr S should raise his most recent concerns with Hyundai in the first instance, if that is his wish.

My final decision

My final decision is that I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 March 2026.

Sam Wedderburn
Ombudsman