

complaint

Mrs T complains that the car Credit 4 Cars Ltd supplied to her under a hire purchase agreement wasn't the one described in the agreement,

background

Mrs T entered into a three year HP agreement with Credit 4 Cars in August 2014 for a used car which was then some six and a half years old. It seems that early in 2016 Credit 4 Cars became insolvent.

As a result of documents Mrs T received in connection with this insolvency, she noticed that the car she had received and was driving was different from the one described in her HP agreement. It had a different registration number, and had a different model name with a different specification. So she complained to Credit 4 Cars.

A representative of Credit 4 Cars acknowledged that her car wasn't as described in the agreement. He said Credit 4 Cars would compensate her by refunding the difference in value between the two cars at the time she entered into the HP agreement, plus the extra finance charges on this amount – a total of £1,099.14. Mrs T didn't think this was enough and complained to us.

Our adjudicator didn't recommend that this complaint should be upheld. He thought the compensation Credit 4 Cars had credited to Mrs T's account had put her back into the position she would have been in if the mistake hadn't been made. So he didn't think Credit 4 Cars needed to do anything more.

Mrs T still thought she hadn't been sufficiently compensated and asked for her complaint to be reviewed.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The car described in the HP agreement is a different car from the one Mrs T received and has driven since then. Her car has a different registration number, and is a different model with a different specification.

Until she got the documentation about Credit 4 Cars' insolvency in 2016, it seems Mrs T hadn't noticed the discrepancy. She had driven the car she received and hadn't complained it was the wrong car. So it isn't clear that the car she received wasn't the one she intended to buy, and was just wrongly described in the agreement.

Credit 4 Cars hasn't sought to argue this. It has said that it will compensate Mrs T for having received the cheaper car, instead of the more expensive one.

When new, the more expensive car cost 13% more than the cheaper one. So it has refunded 13% of the cash price of the car as shown in the HP agreement, plus the finance charges on this 13%. I think this is fair compensation in the circumstances.

my final decision

My decision is that I don't uphold this complaint, and make no order against Credit 4 Cars Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 30 May 2017.

Lennox Towers
ombudsman