

complaint

Miss A complains about the actions of Motion Finance 2017 Limited, trading as KMC, in dealing with the supply of a car to her. She's also made a complaint about the finance provider - but that complaint's being dealt with separately.

background

A used car was supplied to Miss A under a conditional sale agreement with the credit provider. The credit broker for that agreement was KMC. The dealer that supplied the car has stopped trading and Miss A complained to KMC that: it hadn't carried out proper checks on the dealer prior to doing business with it; it hadn't kept a copy of the warranty documents relating to the car; and her signature from her driving license had been fraudulently used on the direct debit mandate. She wasn't satisfied with its response so complained to this service.

The investigator didn't recommend that this complaint should be upheld. KMC says that it checked that the dealer was a real car retailer, that the car was displayed with images on the dealer's website, and that the dealer had a purchase invoice showing that it had the right to sell the car. And the investigator didn't think that KMC could be held responsible for its association with the dealer and that it couldn't have reasonably foreseen that the dealer would stop trading. KMC says that it wasn't given copies of the warranty paperwork from the dealer and that it hasn't taken over any of the dealer's business. And the investigator didn't think that KMC was responsible for not holding the warranty documents. But it paid for repairs to Miss A's car's clutch and gearbox in February 2016 (with a £300 contribution from Miss A) – and he said if it had held a copy of the warranty paperwork it would've tried to cover the cost of those repairs under the warranty. He'd compared the signature on the direct debit mandate with the signature on the credit agreement that Miss A signed – and he said that they look alike. So on balance he couldn't say that KMC had fraudulently used Miss A's signature.

Miss A has asked for her complaint to be considered by an ombudsman. She says, in summary, that KMC collected her car for repair and drove the car for thousands of miles – and that the car wasn't recovered as claimed by KMC. But KMC provided the investigator with a copy of the invoice from the recovery company that it used and evidence to show that it paid the invoice. So the investigator was satisfied that the car was recovered.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. But having done so, I'm not persuaded that KMC has acted incorrectly in its dealings with Miss A.

I'm not persuaded that there was any requirement for KMC to make further checks about the dealer before the car was supplied to Miss A. I consider that the checks that it made were adequate – and I don't consider that it could've reasonably foreseen that the dealer would stop trading.

I don't consider that there was any requirement for KMC to have a copy of the warranty document – that is something between the warranty provider and the customer. I'm not persuaded that there's enough evidence to show that KMC ever received a copy of those documents. But as a gesture of goodwill it did pay for the gearbox and clutch problems on

Miss A's car to be repaired (and Miss A contributed £300 to those repairs). And KMC has provided evidence to show that the car was collected from her by a recovery company when it was taken for repair – and I'm not persuaded that there's enough evidence to show that it was driven away by KMC or that it drove excessive miles in the car.

Nor am I persuaded that there's enough evidence to show that KMC has fraudulently used Miss A's signature on the direct debit mandate. I consider that the signature on the direct debit mandate is broadly similar to Miss A's signature on the conditional sale agreement. And she hasn't suffered a financial loss as a result of her signature being on the direct debit mandate – as the mandate has only been used to collect the payments that she'd agreed to make in the conditional sale agreement.

For these reasons, I find that it wouldn't be fair or reasonable for me to require KMC to take any further action in response to Miss A's complaint.

my final decision

So my decision is that I don't uphold Miss A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 24 November 2017.

Jarrold Hastings
ombudsman