

complaint

Mr G complains that he was mis-sold a finance agreement with Hyundai Capital UK Limited.

background

In March 2017 Mr G was supplied with a used car and entered into a fixed sum loan agreement with Hyundai.

Mr G told the supplying dealership that he was purchasing the car for his daughter and that she would be the registered keeper. The dealership said that Mr G could take out the finance agreement in his name.

In December 2017 Hyundai received notification via a credit reference agency that the car had been subject to a change of registered keeper. Hyundai wrote to Mr G and advised him he was in breach of the terms and conditions of the agreement which required the registered keeper to reside at the same address as him.

Mr G complained to Hyundai. He said the supplying dealership was aware that the car would be registered in his daughters name and address.

Hyundai said it contacted the dealership who said it had explained the terms and conditions of the agreement to Mr G at the point of supply. Hyundai didn't uphold Mr G's complaint. It said there was no evidence the agreement was mis-sold to him.

Mr G remained unhappy and complained to this service.

During the course of investigating the complaint, our investigator discovered that the vehicle registration certificate (V5C) has always shown Mr G's daughter as the registered keeper. The car has never been registered to Mr G. Since making his complaint, Mr G has settled the finance agreement in full.

During the course of the complaint the supplying dealer has paid Mr G £350 representing £250 for interest on early settlement and £100 compensation for distress and inconvenience.

The investigator upheld the complaint. She said that Mr G had provided Hyundai with enough information when he first complained to enable Hyundai to realise there had been an error. The investigator recommended that Hyundai pay compensation of £150 to Mr G and sends a letter of apology.

Hyundai didn't agree. It said it had rejected Mr G's complaint based on the information provided to it by the dealership and it didn't feel it had done anything wrong.

my findings

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

I've considered the information which would have been available to Hyundai in December 2017 when it sent the letter to Mr G telling him he was in breach of the agreement. Hyundai relied on the notification from the credit reference agency. It's not clear whether Hyundai took any steps before it wrote to Mr G to check that the information provided by the credit reference agency was correct.

I can see that Mr G contacted Hyundai when he received the letter and told them that his daughter had always been the registered keeper. In response, I think it would have been reasonable for Hyundai to make further enquiries of DVLA. Mr G then provided information from the log book which supported what he was saying. I think it would have been clear to Hyundai at this point that there had been an error.

I appreciate that it is the supplying dealership that are at fault here. But as the finance provider, Hyundai are equally liable for any errors made. I don't think it's reasonable for Hyundai to say that it based its decision on the information provided by the supplying dealership. The information provided by the dealership didn't address what Mr G had told Hyundai, which was that his daughter had always been the registered keeper and the dealership knew this. I think that Hyundai should have questioned the supplying dealer more closely about what Mr G was saying.

Taking all of the circumstances of the complaint into account, I think that Hyundai could have done more to investigate the issue when Mr G first complained. And I think Mr G provided sufficient information to Hyundai at the start of the complaint to enable it to ascertain that there had been an error.

Mr G has spent considerable time trying to resolve the issue and I think it's fair that he should receive compensation for this inconvenience, as well as the worry he was caused by the letter telling him he had breached the agreement.

For the reasons given above I uphold the complaint.

my final decision

Hyundai Capital UK Limited should pay compensation of £150 to Mr G. It should also send a letter of apology to Mr G.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 September 2018.

Emma Davy
ombudsman