

## **complaint**

Miss G complains that Planet Leasing Ltd gave her incorrect information about a finance agreement relating to the hire of a car.

She says if she had known the correct situation she'd not have gone ahead. She wants a refund of the deposit she paid and the repayments she's made.

## **background**

Miss G and her partner both wanted one finance agreement each. Miss G's partner couldn't get the agreement in his name because he didn't meet the relevant criteria. So, instead, Miss G "fronted" the agreement for him – that is she took out an agreement in her name for his benefit.

Miss G had no intention of using the car. It was going to be kept at her partner's home which was not her home. He - not she - was going to be the main party for insurance purposes.

When the third party who she had the agreement with ("L", a limited company), found out what had happened it rescinded the contract. It pointed out that this arrangement breached several of the contract terms.

Miss G felt let down by Planet Leasing and wanted all of her money back. It said there was nothing wrong with what it had done. It said it had done the same thing for other people. It suggested all would've been well if Miss G had had enough money in her account to make the contractual payments as the only reason L had started to ask about what was going on was when payment was missed. Further it pointed out Miss G had signed the finance agreement so she'd agreed to it.

Miss G wasn't happy with how Planet Leasing dealt with her complaint so she came to us.

Our adjudicator thought that in the circumstances it was incorrect for Planet Leasing to suggest this arrangement to Miss G. He pointed out what had happened breached the relevant terms and conditions of the agreement. On this basis he asked it to refund the deposit Miss G had paid of £3,118.18, pay interest on the deposit and pay her £150 for distress and inconvenience.

Planet Leasing responded that it wasn't in the wrong. And it gave some more information to support its' view. As a result this complaint was passed to me to review.

## **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 finished my review of this complaint. I've come to the same conclusions as the adjudicator for the same reasons.

At heart this is a very straightforward case. The terms and conditions of the agreement are clear. The agreement is meant to be provided to the person who is going to drive, keep and insure the car and no-one else. I find Planet Leasing's interpretation of the relevant terms and conditions to be highly unpersuasive. If the arrangement it put forward to Miss G was perfectly acceptable to all the relevant parties then I can't see why the lender objected and rescinded the agreement as soon as it got wind of what was going on.

I accept that the lender only started to question what was going on because Miss G missed a payment. But to say the agreement was terminated because of this is, I think, a very inaccurate interpretation of what happened here.

Miss G would've been highly unlikely to go ahead if she knew what the lender's position was. On this basis I think it's correct she should get back her deposit with interest. But not the payments she made towards the agreement as her partner did use the car. And it's not fair and reasonable that he should get use of a car for free.

I also think Planet Leasing handled this complaint and behaved in such a way that it caused Miss G distress and inconvenience. I think £150 is an appropriate award for this.

L tells us it has put late payment markers on Miss G's credit file about this agreement. I expect Miss G might be very unhappy about this and I think with good cause. I can't ask Planet Leasing to remove this information because it didn't register it. But I think it must reasonably assist Miss G if she asks it to in trying to get L to remove this information.

But Miss G should be aware that if she wants the information removed from her credit file it's likely she'll have to bring a new complaint about this against L.

### **my final decision**

My final decision is that Planet Leasing Ltd should make the following payments to Miss G:

- Refund her deposit of £3,118.18
- Pay interest on the refund at the rate of 8% simple per year. The interest to be applied from the date Miss G paid the deposit to the date of settlement.
- Pay Miss G £150 for distress and inconvenience.

It must also reasonably assist Miss G if she asks it to in trying to get L to remove the adverse information it has registered on her credit file about the late payments towards the agreement.

Planet Leasing must pay the total compensation within 28 days of the date on which Miss G accepts my final decision. If it pays later than this it must also pay interest on the £150 from the date of the final decision until the date of payment at the rate of 8% simple per year.

If it considers it is legally required to deduct income tax from that interest, it must send a tax deduction certificate with the payment so that Miss G can reclaim the tax if she is able to.

Miss G should refer back to Planet Leasing if she is unsure of the approach it has taken and both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of this portion of the compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 14 July 2016.

Joyce Gordon  
**ombudsman**