

complaint

Mr C complains that he was not told the length or applicable interest rate of a hire-purchase agreement he entered into with British Gas Services Limited in order to buy a new boiler. He says the cost of the interest is greater than the savings generated by the boiler and he would have paid for it upfront had he understood the true cost of the finance.

background

Mr C saw a newspaper advertisement promoting certain discounts on a new boiler and contacted British Gas, which booked an appointment for him with one of its sales representatives. This representative explained the benefits of the new boiler and the discounts available, and Mr C says on the basis of this information, he agreed to a loan agreement to finance the purchase. However, he says he was not told that the term of the loan would be 10 years, nor what the applicable rate of interest would be, and that he has since realised these add up to more than the fuel savings from the more efficient boiler. He believes the sales representative misrepresented the nature of the loan agreement.

The adjudicator did not recommend that the complaint should be upheld. He considered that as Mr C had signed the loan agreement, he should have been aware of the term of the loan and the rate of interest, as these were clearly set out in that document. Mr C does not agree, saying the sales representative should have pointed these out to him before he signed the agreement.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I do sympathise with Mr C's situation, and I can understand his initial enthusiasm for a new boiler and the discounts which would be available to him. However, even if the sales representative did not highlight the applicable rate of interest and the term of the loan in his explanation of the product, this information was clearly presented in the loan agreement, which Mr C signed. It appears immediately underneath his name and address information, as part of the 'Key Financial Information' section, and so cannot be said to have been buried in the body of the text.

It is reasonable to expect consumers who enter into a loan agreement to check the cost and duration of that loan. I appreciate that Mr C was concerned to ensure he understood the features of the new boiler and the discounts available, and that this formed the bulk of his conversation with the sales representative. However, I consider the agreement document was clear enough to alert him to the financial features of the loan and that he had the opportunity to take these into account before signing that agreement.

my final decision

For these reasons set out above, my final decision is that I do not uphold this complaint.

Catherine Wolthuizen
ombudsman