

complaint

Mr W complains about a hire purchase agreement he had with Paragon Bank Plc T/A Paragon Car Finance. In summary, he questions whether the finance agreement was correctly executed and he's unhappy that Paragon provided him with an incorrect copy of his finance agreement.

background

Mr W acquired a new car and approximately three quarters of the cost of the car was to be covered through a hire purchase agreement with Paragon. Mr W was sent a hire purchase agreement to sign, which he did. However, before returning the signed agreement he made hand written changes to the terms and conditions. Mr W was told he could not make the amendments to the agreement so a new agreement was sent to him. This process was repeated, but Paragon did then accept the signed agreement Mr W returned without any hand written amendments to it.

The agreement Mr W signed and returned did however have some typed additions to the copy that was sent to him for signing. Before returning the signed agreement Mr W had added some specific vehicle details, such as the chassis number and vehicle registration. Paragon signed this agreement, which then led to the finance being set up.

Mr W asked Paragon for a copy of the agreement they had both signed and then disputed the agreement he had been sent. He argued that the agreement was not the agreement he had actually signed. Further discussions took place between the parties and a different copy of the hire purchase agreement was then sent to Mr W. During these discussions Paragon offered to extend the withdrawal period of the hire purchase agreement. Mr W accepted this, without prejudice, and paid the required sum. Mr W still has the car and the hire purchase agreement has now been cleared.

Mr W complained to us about the way Paragon had dealt with him. His complaint was considered by one of our adjudicators, who explained why she did not find the complaint should be upheld. Mr W did not accept the adjudicator's findings and asked for the 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. Having done so, I have not upheld this complaint.

There is no dispute that Mr W wanted to acquire a new vehicle, or that he initially intended to take out the hire purchase agreement with Paragon. He signed several agreements but some of these were rejected by Paragon after Mr W had attempted to change some of the terms and conditions of the agreements he received. It is for Paragon to decide on what terms it wished to offer finance and I don't think it was unreasonable of Paragon to not accept the proposed amendments Mr W tried to make.

Paragon did ultimately accept a signed copy of the agreement that Mr W had sent and Paragon then went on to add its signature to the agreement. As the agreement was signed by both parties I am satisfied the agreement was an executed agreement under the Consumer Credit Act 1974 (CCA).

The problem then came about after Mr W asked for a copy of the executed agreement from Paragon. Mr W was sent a copy of the agreement but he said the copy he received was different to the agreement he signed. I accept that the initial copy agreement he received was different to the agreement he had signed. The difference between the agreements relates to identifying the vehicle under the agreement. The identification details of the car (i.e. the chassis and registration numbers) were not included on the agreement sent to Mr W. These details were added by Mr W when he signed and returned the agreement, which was subsequently signed by Paragon. The main details of the hire purchase agreement, such as the term and amounts payable, and the 'small print' remained unchanged.

I appreciate why Mr W may have questioned this with Paragon. However, the differences between the agreements were in my view very minor and did not ultimately change the terms of the agreement. I understand the initial copy sent to Mr W was the originally unsigned copy he received but Paragon had simply switched page 3, which was the signature page, as both parties had now signed the page. Paragon is likely to have simply assumed this is the only page that had changed and it had not noticed the additions Mr W made before signing it. Although Mr W was initially sent a different copy of the hire purchase agreement this was in my view a simple oversight on Paragon's part.

Once aware of this, Paragon did then send Mr W the correct copy of the executed agreement, which included the additions he had previously made. Although this was sent to Mr W within a reasonable time, the relationship between the two parties had however broken down. As I have referred to above, this was a relatively simple oversight by Paragon that was resolved easily. The terms of the agreement Mr W initially wanted were the same as those he still had and he still had possession of the car that he wanted. Mr W was of course free to end the agreement with Paragon. However, the issue here should not, in my view, have been sufficient for the relationship to have broken down to such an extent that Mr W had to end the agreement.

Paragon did however offer to extend the period of withdrawal from the hire purchase agreement and Mr W accepted this. The agreement was repaid, with no interest or charges being applied, and Mr W took ownership of the car.

Although I accept there was an initial issue by Paragon this was a simple administrative oversight. It was resolved swiftly, Mr W still has the car he wanted and he has not paid any interest or charges on the now withdrawn hire purchase agreement. Mr W has asked that I make an award against Paragon where it's required to pay him a substantial sum. However, having very carefully considered the circumstances of this complaint I think the amounts Mr W has requested are unreasonable. I am not persuaded that Paragon should be required to make any payment to Mr W.

I appreciate Mr W will remain unhappy with the decision I have come to here but this decision does represent the last stage in our process. Mr W has said that he intends to take further action if my decision is the same as that reached by the adjudicator. He is of course free to do so but he will need to do this through alternative means, such as the courts.

my final decision

My final decision is that I do not uphold this complaint and I make no award against Paragon Bank Plc T/A Paragon Car Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 September 2015.

Mark Hollands
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