

complaint

Ms B complains that Witton Castle County Park Limited (WCCP) mis-sold her a loan which she could not afford.

background

In October 2015, Ms B borrowed £50,000 from business B. The loan was sold to her by a sales person at WCCP and was used for Ms B to purchase a caravan from them – but Ms B says the loan was not affordable. She says the only income she was receiving at the time was disability allowance of £432 per month. The repayments on the loan amounted to £494 per month.

In Ms B's complaint to WCCP she said she suffered from PTSD and had been diagnosed with bipolar. She said no account had been taken of these illnesses.

To settle her complaint, Ms B would like the cost of the caravan refunded – less the amount she said she sold it for.

WCCP did not uphold her complaint. It said that it had urged Ms B to give the purchase some serious consideration and had sent her away on occasions to discuss the matter with family. The sales person also spoke to Ms B's son about the purchase and he (the son) was in favour.

WCCP said Ms B told them her income amounted to just over £2200 per month, she had paid a deposit of £25000 and had also shown the sales person a bank statement with a relatively healthy balance. Based on this, WCCP say it had no reason to doubt that the loan was affordable.

In relation to any illnesses, WCCP said the first it was made aware of any vulnerabilities was when Ms B complained about the affordability aspect.

When our investigator looked into matters, she didn't think she could ask WCCP to do anymore – so Ms B asked for an ombudsman's decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint and based on what I have seen, I cannot fairly uphold this complaint.

When Ms B took out this loan, not only did she pay a large sum as a deposit, but she also told WCCP that her monthly income was just over £2200. In addition, she showed a bank statement with a healthy balance - and I am told she explained that the interest on that balance alone would be sufficient to repay the loan every month.

Ms B denies showing the sales person any bank statement so I asked if a copy of her statement could be sent to this service.

I have now seen this and it does indeed show a healthy balance. And whilst Ms B submits that the deposit payment wiped out her savings, I'm not sure that can be right. I say this because I can see substantial credits are paid into this account from another – evidencing Ms B's access to other funds.

I can also see (from the bank statements provided for Ms B's husband) that the loan was paid off some 13 months later – amounting to a figure of just under £50000. Just before the loan was repaid, I have noted some missed payments. I have seen nothing to suggest Ms B made contact with WCCP to talk about this (or in fact with B) or to advise she was in financial difficulties - so it's difficult to say WCCP should have acted on this.

So, I don't think this loan was unaffordable and I don't think WCCP had any reason to doubt Ms B could meet the monthly repayments.

With regards Ms B's illnesses, I can't see that WCCP was put on notice of the same – despite meeting with Ms B *and* family members on numerous occasions. In the circumstances, I can't say that they should have done anything different.

The current position is that the caravan has been taken off site and sold on to a third party. The loan has been settled – it seems from personal funds as I have not been told anything to the contrary – and Ms B no longer has to meet monthly repayments.

In the circumstances, I cannot fairly ask WCCP to do anymore.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 14 June 2018.

Shazia Ahmed
ombudsman