

complaint

Mr R complains that a car that was supplied to him under a hire purchase agreement with Secure Trust Bank plc, trading as Moneyway, was misrepresented to him. He also complains about a dent on the car, that he wasn't provided with the warranty information and that his name was spelt incorrectly on the registration form.

background

A used car was supplied to Mr R under a hire purchase agreement with Moneyway which he signed in August 2015. He complained to both the dealership and Moneyway that the car had been incorrectly advertised. The advert said that the car had Bluetooth satnav and a rear centre seatbelt but it didn't. He also complained about a dent on the car, that he wasn't provided with the warranty information and that his name had been spelt incorrectly on the registration form. The dealership offered to pay him £200 compensation as a gesture of goodwill. He didn't accept its offer and complained to this service about Moneyway. And he has made a separate complaint about the dealership.

The adjudicator recommended that this complaint should be upheld. He noted that the dealership had apologised for the incorrect information in the advert but he also noted that its website disclaimer said that adverts were for illustration purposes only and weren't controlled by it. And he concluded that Mr R was made aware that the car didn't have some of the advertised features before he entered into the hire purchase agreement. So he concluded that Mr R hadn't been induced into entering into the agreement by a misrepresentation. The adjudicator said that the dealership had provided the warranty information to Mr R and that it had corrected his name on the car's registration form. So he considered that the dealership's offer of £200 compensation was fair and reasonable in the circumstances and he didn't recommend that those parts of Mr R's complaint should be upheld. But he recommended that the dent should be repaired and the costs covered by Moneyway.

Both Mr R and Moneyway have asked for this complaint to be considered by an ombudsman. Moneyway says that the car wasn't brand new so it wouldn't be reasonable to expect it to be free of any cosmetic damage. And it says that Mr R confirmed that he had inspected the car and was happy with it.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr R and to Moneyway on 11 July 2016. In my provisional decision I said as follows:

"I agree with the adjudicator that the dealership's offer of £200 compensation is fair and reasonable for the issues about the advert, the warranty information and the registration form. So I find that it wouldn't be fair or reasonable for me to require Moneyway to pay any further compensation to Mr R for those issues.

Mr R says that he found a dent on the car which was covered by stickers – and he has asked Moneyway to pay for the dent to be repaired. He has also complained to the dealership about the dent. It said that the £200 that it had offered to Mr R was enough to pay for the dent to be repaired. And it refused to increase its offer of compensation.

Moneyway has provided a photo of the dent and of the cream coloured panel sticker that would've covered it. The car is white and was available for inspection by Mr R before it was supplied to him. So I find that it would be reasonable to expect that he would've noticed the panel sticker. And if it was of concern to him he should've asked the dealership about it at that time. But he didn't contact the dealership – or Moneyway - about the panel sticker or the dent until after he had signed the hire purchase agreement and the car had been supplied to him. It seems that he removed the panel sticker and found the dent at some time after he had received the car. But Moneyway has provided evidence to show that it contacted Mr R after he had received the car – and that he confirmed that he had inspected the car and was happy with it. It's a used car so it's likely that it will have some minor cosmetic damage. The photo provided by Moneyway shows that the dent is small. And Mr R has estimated that the dent would cost about £100 to repair – so it can only be a relatively minor dent.

I'm not persuaded that there's enough evidence to show that the car wasn't of satisfactory quality when it was supplied to Mr R. And I find that it wouldn't be fair or reasonable in these circumstances for me to require Moneyway to pay for the dent to be repaired."

Subject to any further representations by Mr R or Moneyway, my provisional decision was that I wasn't minded to uphold this complaint.

Neither Mr R nor Moneyway has responded to my provisional decision – although I understand that Mr R has accepted £200 compensation from the dealership.

my findings

I have considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not persuaded that I should change my provisional decision.

my decision

So my decision is that I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 October 2016.

Jarrold Hastings
ombudsman