

complaint

Mrs H has complained that a car she financed through Moneybarn No. 1 Limited was misrepresented to her.

background

Mrs H has explained that she was considering a number of different cars before deciding which one she'd like. She was told that Moneybarn didn't finance imported cars, so she chose and applied for finance on a specific car, which had been advertised as an import, on the basis it couldn't be – or Moneybarn wouldn't finance it.

The finance went through, but Mrs H has said she's since discovered it is an import, and she'll lose money on its resale value because of this.

Our adjudicator asked the manufacturer whether this car should be considered an import, and was told that it would not be. But Mrs H was able to produce an email, also from the manufacturer, that clarified that while this car was a UK market model, it had previously been registered in France prior to sale in the UK.

Our adjudicator didn't recommend that the complaint should be upheld. This was because she wasn't satisfied, on balance, that there had been a misrepresentation.

Mrs H disagreed. This is because she feels Moneybarn's policy of not financing imports was - in conjunction with its approval of finance on the car – confirmation that it wasn't an import.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As I understand it, there are, broadly speaking, two kinds of imported vehicles in the UK. Some are brought in from outside the European Union (EU) - these are called "grey" imports and are generally not sold through dealerships. Others are cars produced to the European Whole Vehicle Type Approval standard, which have been previously registered in the rest of EU - these are "parallel" imports. Vehicles produced in the EU – but which have no history of non-UK registry - are generally not classed as imports at all.

Mrs H's car is, as far as I can see given the conflicting information, a "parallel" import. It was produced for the UK market, but brought in from France having been previously registered there. Unusually, it was never registered by a previous private owner, but by the manufacturer itself. I think this was because it hadn't sold it to a dealership within one year of production.

Moneybarn appears to have taken the approach that because the car was not a "grey" import, and was never registered by a private owner prior to arriving in the UK, it was happy to secure financing for it. How Moneybarn wishes to class vehicles for the purposes of approving finance is down to its commercial discretion. That said, it shouldn't say a car is one thing, when in fact it's another.

I have given my understanding of the car's import status – based on the information I have (which is conflicting) – as background explanation. This is because I don't feel what was said about financing imports, or rather *not* financing them, is key to the outcome of this complaint.

The car was advertised as being an import, and Mrs H had seen this advert. So I feel that if she had concerns about this – such that she wouldn't take out the finance if indeed it was – she should have raised this with Moneybarn and looked in more depth into this. So, regardless of Moneybarn's policy on financing imports, I feel that Mrs H's knowledge was such that there was also an onus on her to not proceed with the finance until any concerns were fully looked into. So, whilst I accept Moneybarn's position could have been explained more clearly, I don't think it was key in Mrs H's decision to go ahead with financing this particular car. Because of this, I don't think there was a misrepresentation from Moneybarn that led Mrs H to enter into an agreement that she wouldn't have done otherwise.

my final decision

For the reasons given above, it's my final decision not to uphold this complaint. I make no award against Moneybarn No 1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 3 December 2015.

Elspeth Wood
ombudsman