

## **complaint**

Mrs L complains Carcashpoint Limited has chased her for a debt that is not hers.

## **background**

In October 2014 Mrs L bought a car using cash.

In February 2015 Mrs L was contacted by bailiffs who said her car had been used to take out a loan from Carcashpoint. Mrs L says she paid the bailiffs when they threatened to take away her car as the loan was in arrears. She then complained to Carcashpoint saying that the loan wasn't hers.

Carcashpoint investigated Mrs L's complaint but didn't uphold it. It said it had a photograph of the individual who took out of the loan with Mrs L's car. Mrs L complained to us.

Our adjudicator recommended that Mrs L's complaint be upheld as he didn't think the car used to take out the loan was Mrs L's car. He thought it more likely than not that a cloned car was involved. Nor did he think Mrs L was involved in taking out the loan. Carcashpoint disagreed and asked for a decision from an ombudsman.

## **my findings**

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

Carcashpoint says a third party took out a log book loan using Mrs L's car three weeks after she bought it. Carcashpoint accepts that it wasn't Mrs L who took out the loan, but it believes she was involved. I can understand why – it's hard to see how someone could have used Mrs L's car to take out the loan without her knowledge.

I appreciate that Carcashpoint inspected the car before agreeing to the loan and the car's details (with a couple of notable exceptions) match the details of Mrs L's car. However, I feel there is a major flaw in Carcashpoint's case – namely the third party who took out the loan applied to the DVLA for registration documents over a week before Mrs L first contacted the business that was selling her car. This suggests to me that Mrs L and the third party were acting independently of each other – when the third party applied to the DVLA for registration documents in order to defraud Carcashpoint Mrs L hadn't even seen let alone agreed to buy the car in question. This suggests to me that the third party intended to clone a car and use the cloned car to defraud Carcashpoint. I appreciate that Carcashpoint is a victim here, but I don't agree Mrs L should be held liable.

Given the above, I agree with our adjudicator that Carcashpoint should refund the money Mrs L paid to the bailiffs along with interest. I also agree that it should compensate her for the distress she has been caused and that the award recommended of £250 is appropriate.

**my final decision**

My final decision is that I require Carcashpoint Limited to pay Mrs L £2,644.38 plus 8% simple interest a year from the date Mrs L paid the bailiffs to the date of settlement. I also require Carcashpoint Limited to pay Mrs L £250 in compensation for the distress it has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 22 February 2016.

Nicolas Atkinson  
**ombudsman**