

## **complaint**

Mr C complains the cost of a fixed sum loan agreement he arranged through European AG Retail Limited trading as Zanussi Boilers was misrepresented. He wants the price reduced to the amount he says was agreed.

## **background**

Mr C tells us he agreed to purchase a replacement central heating boiler through Zanussi. He says the purchase price was to be financed through a fixed sum loan agreement with a company I'll call "B". Mr C says he didn't receive any paperwork regarding the agreement. Mr C says he's now being asked to pay over £4,500 when he says he negotiated a price of just over £3,000. He feels he should only have to repay the lower price.

Zanussi told us the order had been created over the phone and details of the contract sent to the customer. It said the agreement was in the terms agreed with the customer. And these had also been explained and confirmed in a customer care call prior to installation.

Our adjudicator did not recommend the complaint should be upheld. She said she'd listened to recordings of telephone calls with Zanussi's agents. And it had not been possible for her to confirm that any reduction had been agreed. And she said that Mr C had signed the financial satisfaction note in March 2018 and this had set out the total amount repayable. She said that she wasn't going to recommend Zanussi did anything else.

Mr C didn't agree with this outcome and felt that the adjudicator had sided with the business. As it's not been possible to resolve the complaint an ombudsman has been asked to make the final 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.

I'm sorry Mr C has experienced the disappointment and concern after discovering the cost of this purchase was more than he expected. And as Mr C feels the finance agreement was misrepresented I'll explain our approach to such complaints.

A misrepresentation is a false statement of fact which induces a customer to act upon it. And whilst I don't apply the law - directly - I do take it into account. And under present legislation - as the credit broker for the agreement which was made with B - Zanussi would be liable for any misrepresentation it made regarding the agreement.

In trying to resolve complaints, we listen to what the parties tell us, and we look to documentary and other evidence to help us reach a decision. This is in line with our fair and reasonable remit. And where evidence is incomplete, unclear or contradictory - as some of it is here - I'm required to make my decision on the balance of probabilities. That is I have to decide what is the most likely explanation to account for what's happened.

It seems the original order was arranged with Mr C's wife by phone on 22 January 2018 - as it's her name which appears on the contract for the boiler purchase. And the basic item price stated on that contract is £3,497.14. This initial agreement was made as part of a joint household arrangement which was reaffirmed when Mr C entered into the finance agreement to cover the cost. And as the cash price of the item on the contract and on the fixed sum loan agreement is the same - I don't think there's any mistake regarding the basic cost.

I've listened to phone call recordings in which the details and terms of the finance agreement are discussed with Mr C. In a customer care call - which I believe was also on 22 January - the agent advised the terms of the agreement and repayment options. At one point in the conversation Mr C raises a query with the agent - as he seems to have mistaken the number of monthly payments for the amount he was required to pay each month. This was quickly and amicably resolved as the agent explained the monthly payments were £37.51 over 119 months with a final payment of £36.67.

There's also a brief conversation on or around 24 January between Mr C and an agent I'll refer to as "D" - in which the details of the package are discussed. The adjudicator has detailed some of the verbatim quotes in her view - so I'll not repeat them in full. The agent explains that he can't remember the exact amounts but, in general terms, the package price is "*£3,000 something*" and the maximum price if the agreement ran the full ten years would be "*£4,000 something*". The agent then says:

*"you're aiming to pay in the middle which is where you get your saving, that's where you make your difference and that's where you're obviously paying less back, that's the difference"*.

There's nothing in the conversation that makes me think any price reduction was negotiated. Although there was a brief explanation as to how Mr C would be able to pay less (by making the repayments earlier). And I've not been provided with any other recordings in which any other alterations in price have been made.

I'm aware Mr C says he didn't receive a copy of the agreement - but I can't hold Zanussi responsible for any failure of a third party to deliver mail. And I think the phone calls which Mr C had were enough to ensure he knew, or ought to have known, the amount he was required to pay.

I've seen a copy of a handwritten note made by Mr C on which some figures are written. But I don't think this takes the matter any further. I'm not disputing that Mr C *thought* he was due to pay a lesser sum - and presumably the note reflects this - I'm simply saying the evidence of the available recordings does not support that view.

When the boiler was installed it seems the satisfaction note regarding the installation was signed but not the satisfaction note relating to the finance agreement. But later in March 2018 Mr C has signed the finance satisfaction note. And this sets out the total repayment due over the ten year period as just over £4,500.

In summary, I don't think there's any persuasive evidence of any misrepresentation regarding this agreement. So I shan't be asking Zanussi to do anything. I'm sorry my decision will come as a disappointment to Mr C but I'm not upholding this complaint.

**my final decision**

For the reasons stated above my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 June 2019.

Stephen D. Ross  
**ombudsman**