

## **complaint**

Mr G complains that Creation Financial Services Limited expects him to pay more than he agreed to for his car loan. He is represented by Trading Standards.

## **background**

Mr G part exchanged his old car, purchasing a new one for approximately £3,000 through the merchant. He financed this purchase through a new loan with Creation. He still had an outstanding loan on the old car (the original loan) and the difference between the amount due under the original loan, and the part-exchange value, was a shortfall of approximately £600.

Mr G said that the merchant who sold him his new car agreed to pay the difference. Creation said the new loan document, signed by Mr G, showed that credit was being provided for the cost of the new car, and the “negative equity” from the old car.

The adjudicator did not recommend that the complaint should be upheld. He was satisfied that the loan documentation showed the total amount of credit obtained under the new loan, and this clearly included the additional £600 (approximately).

Mr G said that he was told the merchant would pay the shortfall on his original loan. And the agreement he was asked to sign did not show the extra money added. He said he also was not given a copy of the agreement.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I find that more likely than not the loan document Mr G was asked to sign showed that the new loan included money to cover the shortfall on the original loan. This was referred to as “negative equity” on the new loan document. Mr G signed this document agreeing to the terms and conditions that applied. I cannot therefore reasonably require Creation to forego the extra £600 that Mr G would like it to.

I cannot with sufficient certainty say whether Mr G was given a copy of this agreement at the time he took out the loan. But even if he wasn't, Creation has said that he did not ask for a copy until a year after the loan was taken out, which I accept. And I am not persuaded that Mr G has suffered any financial loss directly arising from this. I consider it unlikely that he would have been able to clear the shortfall himself, bearing in mind that he took out another loan to purchase his new car.

## **my final decision**

I am sorry to disappoint Mr G but for the reasons given above I do not uphold his complaint.

Kim Parsons  
**ombudsman**