

complaint

Ms N complains about a hire purchase agreement taken out with The Car Finance Company (2007) Ltd. She says that the implications of signing the agreement weren't explained to her. She believed that when signing the agreement she was simply signing to improve the credit rating of a different individual.

Ms N is represented in her complaint by a third party. For simplicity, I'll refer to all submissions as if made by Ms N.

background

In October 2015 Ms N entered into a hire purchase agreement with The Car Finance Company. The finance agreement was in joint names, between Ms N and Mr D. The hire purchase agreement was used to acquire a car and the finance provided was £10,000.

Ms N says that the implications of signing the hire purchase agreement weren't explained to her. She says that she believed she was merely countersigning the agreement to improve the credit rating for a Mr M.

Ms N complained to The Car Finance Company and then referred her complaint to us. The complaint was considered by one of our adjudicators and she explained why she didn't think the complaint should be upheld. Ultimately, she felt the hire purchase agreement clearly set out the terms of the agreement and that Ms N (and Mr D) were responsible for the hire purchase agreement.

Ms N didn't accept the adjudicator's conclusions and asked for the complaint to be reviewed.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've not upheld Ms N's complaint.

The Car Finance Company says that before entering into the hire purchase agreement Ms N would have been presented with the pre contract information. This sets out the terms of the agreement and would have shown Ms N as one of the named individuals who would be taking out the finance. The actual hire purchase clearly shows Ms N and Mr D as joint account holders on the hire purchase agreement, as well as setting out the terms of the finance agreement.

The hire purchase agreement has been signed by Ms N and there's no dispute that Ms N signed it. Ms N does however say that she signed it believing she was improving the credit rating of a Mr M.

Having looked closely at the hire purchase agreement I think it clearly sets out the terms of the agreement. Ms N's name is clearly shown at the top of the agreement and that she is the 'customer' on the agreement. While I have noted what Ms N says about what she understood she was agreeing to, I'm not sufficiently persuaded that she has been misled into signing the agreement. I think it should have been clear to Ms N what she was agreeing to and had she had any concerns she could have questioned this at the time.

The Car Finance Company should have also written to Ms N once the agreement had been set up and this would have been an opportunity for her to question things if she then felt she had been misled.

I also note that Ms N's bank details are recorded on the agreement and four payments were made to the agreement. Had Ms N believed she wasn't required to make any payments to the agreement I think it's reasonable to have expected her to question this immediately when the first payment was taken. I haven't however seen anything to show she did actually question this, which could suggest she was expecting to make the payments.

Ms N has referred to the fact that she only provided a copy of her provisional driving licence at the time of the application. The Car Finance Company acknowledges this but says the second account holder, Mr D, provided a full driving license and this was sufficient to proceed.

Finally, I have noted what Ms N said about no deposit being paid to the agreement. This doesn't however demonstrate the agreement was mis-sold in my view.

I appreciate Ms N will remain unhappy with my decision but I'm not persuaded there are sufficient grounds to uphold this complaint.

my final decision

My final decision is that I do not uphold Ms N's complaint and I make no award or instruction against The Car Finance Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 20 January 2017.

Mark Hollands
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