

complaint

Mr G complains that CarCashpoint Limited misrepresented the terms of his loan agreement, and the loan was unaffordable.

background

Mr G said that CarCashPoint did not ask for any proof of income when he applied for a loan, and this was irresponsible lending. He also said he was not provided with the loan paperwork until after the loan had gone ahead, and so was unaware that he would be paying around £9,000 interest for a loan of approximately £3,000. He also complained that CarCashPoint instructed a debt collection agent.

The adjudicator did not recommend that the complaint should be upheld. He was satisfied that the loan documentation clearly said how much would be payable, and that this information was provided before Mr G signed the loan agreement.

He also said that Mr G had signed an affordability assessment which showed he had enough disposable income to meet the loan.

He concluded that CarCashPoint was within its rights under the terms of the contract to refer Mr G's account to a debt collection agent because it was in arrears.

Mr G disagreed with the adjudicator, and asked for his case to be reviewed by an ombudsman.

my findings

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

I am satisfied that the loan agreement, which Mr G signed, clearly sets out the amount of the loan, the total charge for credit, and the interest rate payable. I do not consider, therefore, that CarCashPoint misrepresented the terms of the loan.

Mr G signed an affordability assessment, and provided CarCashPoint with copies of his bank statements, before the loan was made. The affordability assessment showed that he had enough disposable income to meet the loan repayments. I am not satisfied, therefore, that it can be shown that CarCashPoint irresponsibly provided him with credit.

Mr G's loan account was in arrears when CarCashPoint instructed a debt collection agent. It had sent him a default notice and the payments had not been brought up to date. So, I agree with the adjudicator, I do not consider that CarCashPoint did anything wrong when it instructed the agent.

Mr G did make some loan repayments which were not immediately credited to his account because the loan reference number was missing. But once CarCashPoint became aware of this it credited his account with these payments, and refunded the late payment charges that had been applied in respect of these payments. I consider this to be a reasonable response in the circumstances.

my final decision

For the reasons explained above, and whilst I am sorry to disappoint Mr G, my decision is that I do not uphold this complaint.

Kim Parsons
ombudsman