

complaint

Ms P complains that British Gas New Heating Limited misrepresented the terms of an arrangement to buy a new boiler and set up a loan on those terms without her agreement.

background

In 2013 Ms P was visited by a representative from British Gas New Heating to discuss installing a new boiler. She says she agreed to make monthly payments over three years, and was told there would be 0% interest and the total cost would be £3,400. She signed a document electronically on a laptop. She says that it was only in 2015 that she found she was paying interest at 21.9% APR. She says she had signed only to have the boiler installed not any finance agreement, and that the signature on the finance agreement is not hers.

Our adjudicator did not recommend that the complaint was upheld. He said he was satisfied, on balance, that the signatures on the finance agreement and a direct debit mandate were the same. The direct debit contained Ms P's bank details. Ms P knew what she was paying each month for 36 months, multiplying that to get the total it was clear that was more than £3,400. In 2013 a call had been made to the finance provider to change account details. Although Ms P might not remember signing the finance agreement, he did not think he had adequate evidence to say she had not done so.

Ms P disagreed strongly. She said she had never agreed to pay any interest when buying the boiler. The fact that a call had been made to the finance provider did not change the fact that she had not signed the finance agreement. Although she accepted that the signature on the finance agreement and the direct debit were the same, that did not mean she had signed them. Ms P arranged to have the signature examined by a forensic handwriting consultant. He said he had serious concerns about the authenticity of the signature on the credit agreement, but would need to examine the original to investigate further. It could be one of Ms P's in a different style or a forgery. Due to the poor quality of the signature on the direct debit mandate his opinion on that was inconclusive. Ms P later received the original agreements and said the relevant signatures were not hers.

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 can see from everything she has said and done that Ms P feels very strongly about this matter, and is sure that she did not sign the finance agreement or agree to pay interest in order to buy the boiler.

However the events took place over two years ago, and memories do fade. There is other evidence to suggest that Ms P was aware there was a finance agreement at the time. The finance company records show that it sent her a welcome letter when the agreement was set up. The finance company's name is not similar to British Gas New Heating, so the difference would have been fairly obvious. Records also show that a couple of months later (after the original direct debit mandate had been cancelled) the finance company was sent a new paper direct debit mandate. That seems to have been at about the point when, from Ms P's account, her sister took over management of Ms P's financial affairs, as she had various health issues to deal with. So I find it hard to see that in 2013 Ms P could have been unaware of the finance company's involvement.

I have considered very carefully the report from the handwriting expert. He clearly had significant doubts about the signature on the finance agreement, but he did not say he definitely thought it was a forgery. He said it could have been Ms P's done in a different style. However I understand the signatures had been originally been done electronically (with a stylus on a screen) rather than with a pen and paper. I think that is quite likely to result in a signature which looks a bit different from one done on paper. The signature is fairly similar to that on the quotation, which Ms P agrees that she did sign on screen. It seems to me that the fact that the signature on the agreement was done electronically rather than on paper could explain Ms P does not recognise the signature as being her own. So, while I cannot be certain, I think it is more likely than not that Ms P did sign the finance agreement.

I cannot be sure what the representative said to Ms P about the terms of the agreement or what exactly she saw on the screen before signing. I know she is very clear that she thought she would not be paying any interest. But the agreement does state the interest rate clearly. And if she had been expecting only to pay a total of £3,400 over 36 months, I might have expected her to question why she would need to pay more than £100 a month. But she knew she was paying about £126 a month for that period.

So, on balance, I do not think I have adequate evidence to conclude that Ms P was misled about the terms of the agreement.

I know that my decision will be disappointing for Ms P. I am satisfied that she made her complaint in good faith, and has no recollection of agreeing to the loan or the interest being charged. But for the reasons given above, I do not think I have grounds to uphold her complaint.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 4 January 2016.

Hilary Bainbridge
ombudsman