

## **complaint**

Mrs B, through her representative Mr C, complains about the APR on her hire purchase agreement with Black Horse Limited ("Black Horse").

## **background**

In September 2011 Mrs B took a hire purchase agreement with Black Horse to buy a car.

The agreement had an APR of 14.6%, but Mrs B feels this figure was manipulated artificially to take advantage of her. She says as she had a very good credit score, she should have been given cheaper borrowing, and that the rate she was given wasn't "subject to status".

Black Horse didn't think it'd acted incorrectly, and didn't accept the figures it gave Mrs B had been changed in order to maximise the potential profit.

Our adjudicator looked at what the parties had to say, and didn't think Black Horse had done anything wrong. She also explained our service wouldn't normally look to alter interest rates on loans, as they're commercial considerations for businesses and at their discretion.

Mr C wasn't happy with the response. He felt he'd supplied sufficient evidence that the overall cost of borrowing had been manipulated at Mrs B's expense, and that Black Horse had acted illegally. He also asked to meet an ombudsman to discuss the complaint.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

### *the hearing request*

Mr C's asked for a hearing and thinks this will help him explain his position. However, I should explain that a hearing isn't something a party has an automatic right to. They're generally a rarity, and are intended for the ombudsman to ask questions of the parties involved to clarify any uncertainty in the evidence. Their purpose isn't to allow a further opportunity for the parties to make their case.

I think Mr C's been very clear in his communication with us. He believes Mrs B's been sold an inappropriate product, and alleges Black Horse (and the dealer) has committed fraud, amongst other things.

I'm satisfied the complaint's been put to us fully and, while I appreciate Mr C doesn't agree, I don't believe it's necessary to hold a hearing in order for me to make a decision that's fair to both parties.

### *the complaint*

Black Horse has a commercial discretion to decide the terms under which it's willing to lend. And although Mr C's said he feels the cost of borrowing for Mrs B was manipulated, I can't say that it was.

From the evidence I'm not persuaded Black Horse failed to exercise its discretion legitimately when setting the interest rate on Mrs B's agreement. It acted within the parameters in place at the time, and there's nothing I've seen that suggests the rate was increased specifically to take advantage of Mrs B's particular circumstances.

And, as has been previously discussed, she didn't have to agree to the rate if she wasn't happy with it, but nevertheless she signed the agreement. I take on board that she needed a car, and at the time believed she could trust what she was being told. But I don't think those reasons override a personal responsibility not to agree to something if you're unhappy with it, or think, or even only suspect, is wrong.

I see Mr C's asked Black Horse on several occasions how it worked out the interest rate, but it refused to give him this information.

Each lender has its own criteria for lending, both to determine if it's willing to lend in the first place, and the terms under which it will do so. It wouldn't be reasonable for me to expect Black Horse to publish this information, as it's commercially sensitive. So I don't think it was wrong not to comply with the request, and I don't think any adverse inference should be taken from it.

### **my final decision**

My final decision is that I won't be asking Black Horse Limited to take any action to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C, on Mrs B's behalf, to accept or reject my decision before 13 June 2016.

Ashley L B More  
**ombudsman**