

## **The complaint**

Ms B complains about the information provided to her by Goodman Retail Limited trading as West London Audi (“GRL”) who acted as credit brokers in relation to a hire purchase agreement with Volkswagen Financial Services trading as Audi Financial Services (“AFS”).

## **What happened**

In June 2020 Ms B was supplied with a car and entered into a hire purchase agreement with Audi Financial Services.

In October 2021 Ms B raised a complaint about the finance. She said that at the time of taking out the finance she’d made the business manager at GRL aware that she wanted to make overpayments towards the finance so as to pay as little interest as possible.

The business manager sought advice from AFS and told Ms B that she could make lump sum payments, but not overpayments. Ms B says she was left with the impression that she could make unlimited lump sum payments which would reduce the overall interest payable.

After a few months Ms B made a lump sum payment. She thought this would lead to interest being reduced as well as the term. Ms B spoke to AFS about the payment and was advised that the payment would be applied so that monthly payments reduced, which Ms B agreed to.

Around a year later Ms B made a second lump sum payment. AFS told her that they could apply the payment without the term being brought forward, but soon afterwards Ms B received an email saying the term was about to end and the final payment was due. Ms B contacted AFS and said she wasn’t in a position to make the balloon payment, but AFS tried to take it anyway.

Ms B complained to AFS. Her complaint was upheld, and a new agreement was set up. AFS told Ms B that if she had a complaint about the process not being explained properly, the complaint should be made to GRL.

GRL didn’t uphold Ms B’s complaint. It said that based on the documented evidence it had seen, it was satisfied that Ms B had signed the documents to say that they had been clearly explained to her. It said there was nothing to suggest that Ms B hadn’t been made aware of the terms and conditions of the agreement at the time of purchasing the car, or that she had been misinformed by the business manager regarding partial payments.

Ms B wasn’t happy with the response and complained to this service. She said that GRL hadn’t referenced any discussions with the sales team and had focussed on the documents. Ms B said that her signature on a form didn’t mean that she had understood the nature of the agreement.

Our investigator didn’t uphold the complaint. He said he hadn’t seen enough evidence to say that GRL had made errors when acting as credit brokers, and that he could hold GRL responsible for any errors made by AFS.

Ms B didn't agree so I've been asked to review the complaint.

### **What I've decided – and why**

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

Firstly, I need to set out the basis on which I can look at a complaint against GRL. This service is only able to look into complaints about regulated activities. In this case, the only regulated activity being carried out by GRL is credit broking. So I've limited my decision to this aspect.

I say this because I'm aware that Ms B is unhappy with GRL's decision to investigate the complaint when it was referred to them by AFS, and about the impact of being contacted by GRL during the complaints process. So whilst I acknowledge Ms B's unhappiness about this, I'm not able to consider a complaint about complaint handling because complaint handling isn't a regulated activity.

Ms B has said that she wasn't provided with enough information about the agreement by GRL in order to understand the impact that overpayments would have on interest payable and the term of the agreement. She's said that she made the sales staff at GRL aware that it was her intention to make overpayments and to pay as little interest as possible.

There aren't any notes of the discussions which took place between Ms B and the sales staff at GRL so it isn't possible for me to say exactly what was discussed. I've taken Ms B's testimony into account, but it isn't clear to me what incorrect information Ms B says that GRL provided. This is important because in order to find that there has been a misrepresentation, I would need to be satisfied that GRL have made an untrue statement of fact which induced Ms B to enter into the agreement.

I've also looked at the documentation that was signed by Ms B at the time. These documents include the Demands and Needs Questionnaire, The PCP explanation document, the Finance Agreement and The Pre Contract explanations document. I won't go into each of these documents in detail. However, having reviewed these, I'm satisfied that Ms B has signed each one to say that she has read and understood the document.

Based on my review of the documents, I'm satisfied that the finance agreement allowed Ms B to make overpayments. I'm also satisfied that the documents make it clear that the balloon payment falls due once all monthly repayments have been made. The fact that Ms B made lump sum payments which AFS applied to the term meant that the balloon payment fell due sooner than she was expecting. I appreciate that Ms B didn't realise that this would happen. However, I haven't seen any evidence to suggest that GRL gave her incorrect advice about this. The real issue here is about the way in which AFS processed her lump sum payments. This isn't something I'm able to hold GRL responsible for.

In their role as credit broker, GRL is obliged to provide accurate information about the agreement. Having reviewed all of the available information, I've not found anything to indicate that GRL provided inaccurate information or made an error. I'm unable to hold GRL responsible for the way in which AFS processed the overpayments.

For the reasons I've explained, I'm unable to uphold the complaint.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 9 April 2024.

Emma Davy  
**Ombudsman**