

The complaint

Mr M is unhappy with how a hire purchase agreement was brokered by DSG Financial Services Ltd ('DSG'). He says £9,000 was added to the agreement without him knowing.

What happened

In January 2022 Mr M took a hire purchase agreement, with a finance provider I'll refer to as 'B', to acquire a used car. The agreement was brokered by DSG. The agreement with B shows a cash price for the car of £17,512 and that Mr M paid an advance payment of £3,400.

Mr M complained to DSG, saying he was not made aware of the interest rate nor the amount of interest payable under the agreement.

DSG sent a final response in January 2023. This said, in summary, that after Mr M's application was assessed and reviewed, DSG determined B's was the best acceptance Mr M would obtain. It said once the details were finalised, it called Mr M and discussed the details of the finance. It then said it had confirmation from B that Mr M electronically signed the credit agreement, so after final checks it processed the funds. DSG said Mr M was aware of the details of the finance and so it didn't do anything wrong.

Mr M was unhappy with this and referred the complaint to our service. Our investigator issued an opinion and did not uphold the complaint. In summary, she said she thought Mr M reviewed the details of the finance before taking it out and she didn't think Mr M was given any incorrect information by DSG.

Mr M was unhappy with this. So the complaint has been passed to me to decide.

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.

Mr M complains about how DSG brokered a credit agreement. Brokering a regulated consumer credit agreement, such as this one, is a regulated activity, so I'm satisfied I can consider Mr M's complaint about DSG.

What I need to consider is whether DSG did anything wrong, such as giving Mr M false information or misleading him, when it brokered the credit agreement.

I've listened to the calls Mr M had with DSG in relation to the agreement. On one of the calls, some details of the finance are discussed. DSG go through various details about hire purchase agreements with Mr M. DSG then explain the amount of credit, term and monthly repayments due under this agreement. Mr M is asked if he has any questions.

Thinking about this, I'm satisfied Mr M wasn't told any incorrect information about the lending on the phone.

I've then reviewed the documents in relation to the agreement.

I've seen a copy of the "*PRE-CONTRACT CREDIT INFORMATION*" Mr M electronically signed. This explains there is a "*Total Charge for Credit: £9,096.40*". It lists the rate of interest as 12.88% and the APR as 23.9%.

I've also seen a copy of the credit agreement that Mr M electronically signed. This lists under "*Financial Particulars*", "*Total Charge for Credit £9,096.40*". Under "*Rate of interest*" the agreement states "*The effective rate of interest is 12.88%*" and "*APR 23.90%*".

DSG has said it confirmed with B that these documents had been signed and entered into by Mr M before it released any funds.

I've very carefully thought about everything Mr M has said in relation to this complaint. But I haven't seen anything to suggest DSG gave him any incorrect information about the borrowing.

I think it's most likely Mr M was made aware of the interest rate and amount before the funds were released. And having reviewed things, I can't see DSG did anything else wrong here when it brokered the credit.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 February 2024.

John Bower
Ombudsman