

The complaint

Mr G has complained that the terms on which he could reside in a static caravan, which was financed by Black Horse Finance Limited, were misrepresented to him. He also says that Black Horse refused to honour the holiday park's offer to reverse the sale.

What happened

Mr G entered into a finance agreement with Black Horse, for a static caravan based at a holiday park. However, he's explained that the park misrepresented the terms on which he could reside in the caravan. Specifically, he was told he could live there all year round. But it turns out he can only be there for 10 months of the year, and it mustn't be his permanent residence. Further, he says that when he raised his concerns with the park, it said it would reverse the sale, but Black Horse hasn't honoured this.

One of our investigators looked into what had happened. He was satisfied that Mr G had signed documentation that made it clear that he couldn't reside permanently in the park, and that he understood its seasonal opening times. Accordingly, he didn't think that Black Horse had acted unfairly.

Mr G disagreed. He provided witness statements from himself and his partner, describing what they were told by the sales representative. In particular, that it was "10 months of the year, but the park hadn't closed its doors for the last three years and had no intention of closing its doors going forwards" and that the term is "tongue in cheek".

Mr G has explained that it was at this time that he signed the contract, on the computer, but it wasn't read out to him, and he wasn't asked to read it himself.

Mr G also provided a brief tape recording, which he says supports his position that a holiday park offered to reverse the sale. He feels Black Horse refused to honour this.

The complaint's now been passed to me.

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.

Having done so, I'm not upholding the complaint. I'll explain why.

As the finance provider, Black Horse can be held responsible for any misrepresentations made as regards the goods and/or services that it is financing. So here, it could be held responsible if the holiday park made a misrepresentation. A misrepresentation, for these purposes, is a material statement of fact, which is untrue. Further, Mr G needs to have relied upon it – and would not have entered into the contract, had he known it to be untrue.

Here, Mr G has explained that he was led to believe he could live in the caravan full time, all year round. However, this is not supported by the paperwork he signed. He's explained this was done on a computer and he didn't read it/have it read to him by the sales representative,

but the paperwork I've seen has been signed by hand, including Mr G's initials alongside the key clauses – including that the caravan is not to be used as a permanent residence. It's also been signed by the park manager, not by the sales representative that Mr G has said misled him, and who gave him the contract to sign on the computer.

The park has explained that following the discussion with the sales representative, Mr G was given time to think about things, before he had a meeting with the park manager to finalise things. I find this more persuasive, as the signatures on the paperwork support this.

I will consider the issue of what the sales representative said. I cannot know for certain, but if I accept Mr G's (and his partner's) recollection, then it was not the same as the paperwork Mr G later signed. The caravan was an expensive purchase. So, if the paperwork didn't tie in with what Mr G thought about residency, I'd have expected him to question that at the meeting with the park manager. But I have no evidence that he did. Further, if the representative said what Mr G has recalled, then I don't think it supports Mr G's position. Rather, it shows that the residency is clearly 10 months, and anything beyond that would be outside the rules – or, “tongue in cheek”.

For these reasons, I'm satisfied that Mr G was aware that he could only stay in the park for 10 months a year, and that it mustn't be his main residence. I think that anything beyond that may have been what he hoped for, but it wasn't the agreement he entered into. Accordingly, I'm not persuaded, on balance, that there was a misrepresentation.

Mr G has also said that the sales representative offered to reverse the sale, and has provided a short tape recording. I have not taken this into account, because I cannot know its provenance. Instead, I've considered all of the other submissions, and there's no evidence that Mr G was offered a reversal, and that Black Horse unfairly decided to block this (if it would even have the ability to do so). Rather, it appears that the park launched an investigation, but the outcome didn't support that Mr G had been misled.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 17 August 2023.

Elspeth Wood
Ombudsman