

## **The complaint**

Mrs M complains that Select Contracts UK Limited trading as Select Car Leasing provided incorrect advice about how her finance agreement would appear on her credit file.

## **What happened**

Mrs M entered into a finance agreement for a car commencing in April 2022. She says she explained to the sales adviser that she wanted the finance agreement to be recorded on her credit file in the same way as her previous lease agreement had been recorded. She said she emailed the adviser in January 2022 making it clear that how the agreement was recorded on her credit file was a condition of her entering into the agreement. She says it was confirmed that the agreement would not show on her credit file as a loan and would not show the value of the car. Mrs M says that when she checked her credit file she found that the agreement was recorded as a loan for £30,000. She says this has hindered her ability to get her desired mortgage and she doesn't want to make a mortgage application with the finance agreement showing as it currently does. She says she had asked Select Car Leasing to source alternative finance for her so that it shows with a £0 balance and £0 monthly payments.

Select Car Leasing issued a final response letter dated 15 March 2023 not upholding Mrs M's complaint. It said that Mrs M's initial enquiry was made in April 2021 and vehicles and lead times were discussed and a quotation given. A further quotation was given, and Mrs M agreed to proceed with the finance application. Following her complaint, it said it looked into Mrs M's previous agreement and her current finance agreement and it said that both were finance agreements, which would reflect on Mrs M's credit profile for the balance agreed when entering into the lease for the vehicle. It said for Mrs M's current finance agreement, the finance provider has recorded the full remaining amount of the balance that is outstanding and due to be paid over the course of the agreement. It said that while Mrs M had requested it replace the finance agreement that it put in place it couldn't do this and if Mrs M did wish to exit the finance agreement she would need to contact the finance provider directly.

Mrs M didn't accept Select Car Leasing's response and referred her complaint to this service.

Our investigator didn't uphold this complaint. He explained that for there to be a misrepresentation there would need to be a false statement of fact and that this led Mrs M into taking the action she did. In this case he didn't think that there had been a false statement of fact and so Select Car Leasing hadn't misrepresented the agreement to Mrs M. Because of this he didn't think Select Car Leasing was required to do anything further.

Mrs M didn't agree with our investigator's view. She said she had been misled as she had said she didn't want the agreement to show with a credit value on her credit report and instead to have a zero balance. She said that Select Car Leasing should have directed her to the finance provider as it was the entity recording data on her credit file. She said that based on the information provided by Select Car Leasing she thought the agreement would have a zero balance on her credit file and it was because of this she agreed to the finance.

She has also said she felt pressured into signing the agreement.

### **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.

Mrs M entered into an agreement with a finance provider to finance a vehicle. As Select Car Leasing has explained it is the finance provider that reports on the agreement and how this is being managed to the credit reference agencies. If Mrs M believes the reporting to be incorrect, she should raise this with the finance provider directly. This complaint is that Mrs M says the advice she received from Select Car Leasing before entering into the finance agreement was misleading.

I can appreciate how frustrating and upsetting Mrs M has found this issue and I understand her concerns about her credit file. But, as our investigator set out, when considering a complaint about misrepresentation, we need to be satisfied that the consumer was provided with a false statement of fact and that they relied on this when deciding whether to enter the agreement.

I have looked at the email Mrs M sent Select Car Leasing on 3 January 2022, and it says that:

*'... I note the finance ... is now with [finance provider] as opposed to [previous finance provider]. I just wanted to check the way it will appear on my credit score. I do not want it to look like I have a £56,000 loan as we are hoping to move this year and get a new mortgage. With the [previous] finance, whilst it appears on my credit score it does not appear like I have a loan of the total value..... it just appears as £0 paid etc, and that is what I want ... I am a little anxious that [finance provider] might have it as a loan and put the full amount on it. Can you check that position please.'*

The response sent to Mrs M on 4 January said:

*'Your new lease will not show up as a loan, it will show up as a contract hire agreement. It will not show the value of your car because the total amount you pay is far less than the cost of the car (~£33k over 4 years).'*

So, while I understand that Mrs M wanted there to be no credit value recorded on her credit file, what she asked was what the agreement would be recorded as and the value. The response to her confirmed the agreement would be recorded as a contract hire agreement and that it wouldn't be the cost of the car recorded but noted the amount lower being the amount Mrs M was required to pay. This is in line with what was recorded on her credit file. So, while it appears there has been a misunderstanding about this, I do not find I can say that Select Car Leasing provided a false statement of fact. Because of this I do not find I can say it misrepresented to Mrs M how the agreement would be recorded on her credit file.

I also note Mrs M's comment that Select Car Leasing should have told her to speak to the finance provider about how the agreement would be reported on her credit file. While I think that Select Car Leasing should take this comment on board, I do not think it unreasonable that as it believed it could answer Mrs M's questions that it did so. And as the information it gave wasn't incorrect, I do not find I can say it did anything wrong.

Mrs M has also said she felt pressured into signing the agreement. I can see that in the email on 4 January 2022 the adviser asks for the agreements to be signed. But I can also see that she had been in discussions about the car and I note the agreement she entered

into contained a right to cancel and so had Mrs M felt pressured she could have cancelled the agreement at that time.

I understand that my decision will be a disappointment to Mrs M but in this case I do not find I can uphold this complaint.

### **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 Mrs M to accept or reject my decision before 21 February 2024.

Jane Archer  
**Ombudsman**