

## **The complaint**

Mr A complains that Volkswagen Financial Services (UK) Limited, trading as Audi Financial Services, won't refund to him the money that he paid for a car that was supplied to him under a hire purchase agreement.

## **What happened**

The details of this complaint are well known to both parties and have been set out by the investigator so I won't repeat them again here. Instead I'll focus on giving the reasons for my decision.

## **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 agree with the conclusions reached by the investigator for these reasons:

- a new car was supplied to Mr A under a hire purchase agreement with Audi Financial Services that he electronically signed in June 2019;
- he complained to the dealer about some issues with the car and it agreed to replace the car – Audi Financial Services settled the hire purchase agreement at no cost to Mr A and he entered into a hire purchase agreement for the replacement car that he electronically signed in January 2019;
- Mr A says that he was expecting a refund of the payments that he'd made under the original agreement and but, when Audi Financial Services said that it wouldn't be refunding those payments to him, he made a direct debit indemnity claim for a total of £3,331.20;
- he received an arrears notice from Audi Financial Services about that amount and complained to this service;
- his complaint was considered by two of our investigators – neither of whom thought that it should be upheld as Mr A had been able to use the original car (or courtesy car's provided by the dealer) for six months and there was no evidence to show that Mr A had been told that the payments would be refunded to him;
- Mr A has asked for his complaint to be considered by an ombudsman but he says that he's prepared to contribute £1,650 to resolve this issue – but that hasn't been accepted by Audi Financial Services;
- there's no dispute that there were faults with the original car and the dealer agreed to replace it – Audi Financial Services says that it and the manufacturer each contributed £3,268.73 so that the agreement could be settled at no further cost to Mr A and he entered into a new agreement;
- Mr A was able to use the car, or courtesy car's provide by the dealer, until the car was replaced and I consider that replacing the car was a fair and reasonable

response to the issues that Mr A had with that car – I've seen no evidence to show that Audi Financial Services, or the dealer, agreed that it would refund the monthly payments that he'd made under the agreement and I consider that it's fair and reasonable for Audi Financial Services to keep those amounts as payment for the use that he had from that car;

- Mr A entered into the second hire purchase agreement in January 2020 and it set out the basis on which the replacement car was being supplied to him – he agreed to make 48 monthly payments of £555.20 and a final payment of £1,790 – there's no reference in that agreement to a refund of the monthly payments that he'd made under the first agreement;
- Mr A says that the dealer agreed to refund those payments to him but I'm not persuaded that there's enough evidence to show that it did so – and if such a refund had been agreed, I consider it to be reasonable to expect that the refund would be referred to in the second agreement or in other documents agreed at that time;
- I sympathise with Mr A for the frustration that he clearly feels but I'm not persuaded that there's enough evidence to show that Audi Financial Services has acted incorrectly in not refunding the monthly payments to him; and
- I find that it wouldn't be fair or reasonable in these circumstances for me to require Audi Financial Services to refund to Mr A any of the monthly payments that he made under the first agreement, to waive or reduce the outstanding amount that he owes to it, to accept his offer of £1,650 or to take any other action in response to his complaint.

### **My final decision**

My decision is that I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 January 2021.

Jarrold Hastings  
**Ombudsman**