

The complaint

Mr H complains that FCA Automotive Services UK Ltd didn't uphold a free servicing and warranty plan and charged him £1,700 when he voluntarily terminated (VT'd) his agreement.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so 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 the following reasons:

I have every sympathy with Mr H but I cannot uphold his complaint. The basis of his complaint is that he bought an Alfa car from Alfa and the finance company is part of the Alfa group and so they should be treated as one. He was offered a free service/warranty plan and FCA should be responsible for any failings in respect of that plan. However, his contract was with the dealer which, while authorised by Alfa, is not part of the Alfa group.

So he had a contract with the dealer and he took out finance provided by FCA. Part of the deal was that the manufacturer offered a five-year servicing plan which was provided by another company which is part of the Alfa group. This was complimentary and so none of the money provided by FCA was paid to either the manufacturer or the warranty/service provider.

Consumer law allows claims to be made against the provider of finance for goods it has financed. In this case it didn't finance the free warranty/servicing plan provided by the manufacturer so I cannot hold it responsible for any issues Mr H has with it. FCA paid the dealer which I presume had paid the manufacturer for the car. As such I cannot hold FCA responsible for the failure of the service supplier not to honour the offer due to Mr H not meeting its terms and conditions.

When he decided to VT the car FCA wrote to him setting out what would happen and this stated he was required to: *"Pay £1,770.81 This is to satisfy the requirement to pay half of the total amount due on your agreement and is payable immediately"*. I am satisfied that this was made sufficiently clear to Mr H that to VT the agreement he needed to have paid half of what he owed. This was also stated in the finance agreement as our investigator has explained.

FCA has accepted that it sent an incorrect notice of default without making him fully aware of the debt. It has also accepted our investigator's recommendation that it remove the default from Mr H's credit files on receipt of the sum due. This has had an impact on Mr H's credit score and he has had his credit card limit reduced, albeit this has since been remedied. I

consider the recommendation to be fair and also think the compensation offered by FCA of £100 is reasonable.

Putting things right

FCA should remove the default as set out below and compensate Mr H.

My final decision

My final decision is that I uphold this complaint in part in that I direct FCA Automotive Services UK Ltd to remove the default from Mr H's credit file on receipt of the sum owed. It should also pay him £100 compensation if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 April 2022.

Ivor Graham
Ombudsman