

## **The complaint**

Mr M complains that Volkswagen Financial Services (UK) Limited trading as Seat Financial Services (VWFS) didn't provide him with reasonable options when he contacted it following a change in his financial circumstances.

## **What happened**

Mr M entered a 36 month hire agreement with VWFS in July 2019 to lease a car. His circumstances changed and he contacted VWFS in June 2020 about the options available to him. He doesn't think he was given a reasonable set of options. He says the car had been driven substantially less than allowed and he thought this should be reflected in reduced payments or an amount being refunded.

VWFS issued its final response in October 2021 not upholding Mr M's complaint. It said when Mr M contacted it in June 2020 explaining the change in his circumstances it provided him with options of a payment deferral, payment plan, breathing space, early termination and a mileage amendment. It says Mr M asked for a mileage amendment quote to be generated which happened on 6 August 2020. It says the quote confirmed the new monthly rentals to be £266 a month saving Mr M just over £200 to the end of his agreement in July 2022. It says it wasn't required to offer the mileage reduction and provided further information about how it was calculated.

Mr M referred his complaint to the Financial Ombudsman Service. He said he asked for the mileage quote to understand his options but there was a charge to make the change and the minimum amount of reduction was 5,000 miles a year and so this didn't make sense for him. He said there was no mention of payment holiday other than the affect this could have on his credit file.

Our investigator didn't uphold this complaint. She thought that VWFS had provided Mr M with reasonable options when he contacted it in June 2020. She noted that Mr M didn't think the mileage reduction quote was fair but said the VWFS weren't required to provide this option to him and noted the payments under the agreement weren't just linked to mileage but also depreciation, finance and other charges. She noted that Mr M had maintained his payments under the agreement.

Mr M didn't agree with our investigator's view. He said that as the mileage allowance would have been reduced by 50% for the whole term and so the payments should have been reduced by 50% from August 2020. He said that just because he had made his payment this didn't mean that doing so hadn't caused him financial difficulty.

## **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.

As our investigator set out there are rules and guidance in place about how businesses should treat customers who are struggling financially and additional guidance was

introduced in response to the Covid-19 pandemic.

Mr M says that he initially couldn't get through to VWFS when he needed to discuss his options and that when he did get through the options provided weren't reasonable. I have looked through the contact notes and I can see that Mr M made contact in June 2020 and was initially given information about amending the mileage on his agreement. Mr M made contact again to say he wanted his options given he was facing redundancy. At this point he was provided with a range of options, namely a payment deferral, payment plan, breathing space and an early termination. So, while I appreciate Mr M's comments, I find he was provided with the options we would expect given the circumstances and the relevant guidance.

Mr M says that terminating the agreement wasn't an option for him at the time and he was concerned about the impact the payment holiday could have on his credit file. While I appreciate the points Mr M has made, I cannot see that these options (or breathing space and payment plan) were discussed further. As the options were put to Mr M I find he was given the opportunity to consider these had he wished.

Mr M was provided with a quote for the mileage reduction in August 2020. I understand he doesn't think this was reasonable. However, this was only an option and not one that Mr M was required to take or that VWFS was required to provide. Therefore, while I appreciate the comments Mr M has made, I do not find that I can say VWFS has done anything wrong in regard to the quote. In its final response letter VWFS provided information about how the calculations were made and additional quotes. Therefore, while I can understand that Mr M doesn't consider the reduction in price reasonable compared with the reduced mileage allowance, I have nothing to suggest that VWFS didn't follow its usual process for providing the quote and so I cannot say that it treated Mr M unfairly.

I appreciate that Mr M says the car will be handed back with a mileage lower than the amount allowed but the agreement doesn't provide for any refund in these circumstances and so I do not find I can require VWFS to provide this.

In conclusion, I find in this case VWFS provided the options that we would expect in response to Mr M's request, and as I cannot say that it has done anything wrong 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 Mr M to accept or reject my decision before 8 July 2022.

Jane Archer  
**Ombudsman**