

## **The complaint**

Mr S complains about the way Volkswagen Financial Services (UK) Limited trading as Seat Financial Services ("VWFS") took back his car after his hire agreement ended.

## **What happened**

In March 2019 Mr S entered into a two-year contract hire agreement for a new car. This was later extended for two months, and then for another year, which meant the agreement was due end on 12 May 2022.

On 14 March 2022 VWFS sent a letter reminding Mr S that the agreement would soon be ending and setting out his options.

Mr S says he called VFWS on 20 April 2022 to let them know he'd booked the car in for inspection and collection on 19 May 2022 because this was the earliest date their agent could offer him. He says he also asked VFWS to send him a quote for another extension, intending to call them back once he'd received it.

Mr S has told us that he called VWFS again on 13 May 2022 because he hadn't received the quote. He says he again confirmed the car was due to be collected on 19 May 2022, and the advisor made no mention of the possibility of action being taken to repossess it.

Mr S says he contacted VWFS' agent again on 16 May 2022, and they agreed to change the collection date to 26 May 2022. He says the agent advised him this was the latest the car could be collected, being 14 days after the contract end-date.

On 18 May 2022 collection agents arrived to take the car. Mr S says that, although his wife told them arrangements had been made for it to be returned a few days later, VWFS authorised the collection to go ahead. Mr S says they took the car away with personal possession still inside it, leaving him without a car to transport his children to school.

Mr S says he called VWFS several more times, initially to see if the car could be returned and then to raise a formal complaint. He says he was further upset when, on 10 July 2022, he received invoices totalling £730.24 for damage to the car, an additional period of hire, and excess mileage. He says the damage was discovered during an inspection carried out 50 days after the car was collected - and that he'd been charged for additional hire until the date of this inspection.

VWFS issued their final response on 26 July 2022, upholding Mr S's complaint. They acknowledged things hadn't gone as they should have done and apologised for the inconvenience and issues this had caused. They said they'd waived the charges for additional hire, damage, and excess mileage, and offered Mr S £200 as a gesture of goodwill for personal belongings collected with the car.

Dissatisfied with this, Mr S refused VWFS' offer and brought his complaint to us.

After reviewing the evidence we'd received from both parties, our investigator said she thought VWFS had acted fairly by apologising for their error and removing the additional charges. She said she thought the £200 compensation they'd offered was fair and reasonable in the circumstances.

Mr S provided more evidence about what had happened. He said he wouldn't have filled the car's fuel tank that morning if he'd known it was going to be taken away - and that his wife had been left with no option but to get a taxi to collect his children from school.

Mr S provided evidence showing fuel and taxi expenses. He said he didn't have receipts for the personal possessions taken with the car, either due to their age or because they were received as gifts. He said it would cost him over £400 to replace them.

Having reviewed the evidence again, our investigator said she thought Mr S should be reimbursed for the fuel he'd bought the morning the car was collected, because he hadn't been told when this would happen. But she remained of the view that the amount VWFS had offered Mr S for his possessions and inconvenience was fair and reasonable.

VWFS accepted the investigator's recommendations. Mr S disagreed – I'll summarise the main points he made:

- VWFS hadn't paid him anything towards the personal possessions he'd lost due to the car being taken without notice and without any possibility of recovering things left inside it.
- He'd provided credit card statements showing taxi costs totalling £41.42 for daily school runs.
- The various invoices VWFS had agreed to cancel were erroneously raised. Other than £44 for excess mileage, none of the other charges were valid and recoverable.
- The exceptionally poor customer service he'd received caused both himself and his wife considerable stress and upset, as well as consuming time on fruitless phone calls. He didn't feel he'd been compensated for this.

Mr S asked for the case to be reviewed by an ombudsman, so it's been passed to me for a decision.

### **My provisional decision**

I issued a provisional decision, saying:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I can see Mr S feels very strongly about VWFS' handling of this matter - and VWFS accept things didn't go as they should have done. I think it's important for me to start by explaining that the Financial Ombudsman Service isn't here to punish a business for getting things wrong. Our role is to look at the impact their error has had on the customer and consider whether the business should do more to put that right.*

*This was a hire agreement between VWFS and Mr S, which means I can consider his complaint and the impact this has had on him. Mr S's wife isn't named on the agreement, so I won't be considering the impact these issues had on her.*

*I want to reassure Mr S that I've considered all the information he's provided. If I haven't commented on any specific point, it's because I don't think it affects what I believe to be the right outcome in this case.*

#### *What went wrong?*

*VWFS have provided a copy of the letter they sent Mr S on 13 March 2022, reminding him that the agreement was coming to an end and setting out his options. It says:*

*"If we do not hear from you regarding arrangements for the return of your vehicle with [our agent] by your contract end date we will pass the recovery of the vehicle to our legal collection partners..."*

*Mr S has provided a copy of an email he received from VWFS' agent dated 20 April 2022, confirming a booking for collection and inspection of the car. He's told us that he made VWFS aware of this when he called them that day.*

*Although I've seen evidence showing VWFS have no record of this booking, I think it most likely that Mr S did mention it when he called them to discuss a possible extension of the agreement. And even if he didn't mention it, I'd expect VWFS to have processes in place to check whether an inspection had been booked before passing the matter to their legal collection team.*

*For these reasons, I don't consider it to have been fair or reasonable for VWFS' agents to have been sent to collect the car on 18 May 2022. I don't find it necessary to consider whether other administrative errors were also made, because I don't think that affects the impact this situation had on Mr S.*

#### *What impact did this have on Mr S?*

##### *1. Fuel cost*

*Mr S has provided evidence showing he'd agreed with VWFS' agent that the collection of the car would be pushed back to 26 May 2022. He's also provided a copy of a fuel receipt, showing he paid £72.94 for around 45 litres of fuel during the morning of 18 May 2022. I think he did that because he reasonably expected to have the use of the car for another week. So, I think it's fair for VWFS to reimburse the cost of this fuel.*

##### *2. Taxi fares*

*Mr S has provided copies of credit card statements showing a total of five taxi trips between 18 and 20 May 2022, costing a total of £41.42. He says he incurred these costs because he needed to transport his children to and from school.*

*But I'm not persuaded that he's incurred additional transport costs here. The evidence I've seen shows VWFS cancelled all rental charges for the car after 18 May 2022. They also cancelled an excess mileage charge of £43.84, which Mr S accepts was valid. So, I don't consider it fair for me to direct VWFS to cover his taxi fares.*

##### *3. Personal possessions*

*Mr S says the car was taken with personal possessions still inside, and that the collection agents gave no opportunity for these to be removed. He's told us these items would cost £403 to replace.*

*The evidence I've seen shows the collection agents initially clamped the car – and that they took the time to contact VWFS to check whether any extension had been agreed. I'm not persuaded that there was no opportunity for personal possessions to be removed from the car before it was taken.*

*And even if I was persuaded of this, I've seen no supporting evidence as to the items lost or how much they were worth. Mr S told us designer sunglasses worth £218 were given to him as a gift. He says he doesn't have receipts for other items due to their age, but that they were fully functional.*

*In the absence of any evidence to support the expenses Mr S is claiming for items of particular value, I don't consider it fair for me to direct VWFS to pay for these.*

#### **4. Distress and inconvenience**

*Based on the evidence I've seen, I'm satisfied that the car was taken away eight days sooner than Mr S expected. I think it would have been inconvenient to find himself without a car to transport his children to school that week.*

*Mr S has told us that VWFS' actions on 18 May 2022 and exceptionally poor customer service have caused him considerable stress and upset, as well as taking up a lot of time to resolve. He says the majority of the additional charges VWFS agreed to cancel had been incorrect.*

*I can see this has been an upsetting and frustrating experience for Mr S - and that he's spent time on phone calls and emails to get things resolved. I've given careful thought to the level of inconvenience and distress he's been caused between 18 May and 26 July 2022, when VWFS sent their final response to his complaint.*

*I've also taken into account the inconvenience of having to replace any items of nominal value that may have been left inside the car when it was collected.*

*Having thought about all of this, I do think VWFS' offer of £200 compensation was fair and reasonable.*

*For the reasons I've explained, I intend to uphold this complaint and direct Volkswagen Financial Services (UK) Limited to:*

- *Reimburse Mr S £72.94 for the fuel he purchased on 18 May 2022, plus 8% simple interest calculated from the date of payment until the date of settlement.*
- *Pay Mr S £200 compensation for the distress and inconvenience he's been caused.*

*I invited both parties to send me any further information or comments they'd like me to consider.*

*VWFS said they agreed with my provisional findings and had no further points to make. Mr S didn't respond.*

#### **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 neither party provided any further information in response to my provisional findings, I see no reason to change my mind.

### **My final decision**

For the reasons I explained in my provisional decision, I uphold this complaint and direct Volkswagen Financial Services (UK) Limited to:

- Reimburse Mr S £72.94 for the fuel he purchased on 18 May 2022, plus 8% simple interest calculated from the date of payment until the date of settlement.
- Pay Mr S £200 compensation for the distress and inconvenience he's been caused, if they haven't done so already.

If VWFS consider tax should be deducted from the interest element of the award, they should tell Mr S how much they've taken off. They should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax if he eligible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 June 2023.

Corinne Brown  
**Ombudsman**