

The complaint

Mr F complains that Volvo Car UK Limited trading as Care by Volvo UK (CVUK) unfairly charged him an excess mileage charge when his new car was delayed.

What happened

Mr F entered into a hire agreement with CVUK in May 2021. In February 2022, he told CVUK that he wanted to end his 2021 agreement and take out a new agreement for a different car. The new car was ordered but Mr F says the delivery was delayed which meant he went over the agreed mileage on his existing car. He says that had he received the new car within the timeframe he had been told he wouldn't have exceeded the mileage and incurred the charge. Mr F also said that when he collected the new car, he had wanted it to have the 23 registration plates and not his private registration plates.

CVUK said that when Mr F ordered his car in May 2021, he selected an annual mileage of 12,000 miles per year. In February 2022, he placed an order for a new car. CVUK says that it emailed Mr F twice to advise him of price changes should he wish to increase his mileage allowance, but it didn't receive a response. Mr F then contacted it to say he wanted his excess mileage charged reduced due to the delay in receiving his new car. CVUK said that its terms and conditions set out that delivery time frames are an estimate and subject to change and that the terms clearly set out the charges for excess mileage. Therefore, it didn't uphold this part of his complaint.

Mr F also raised a complaint about the transfer of his private plates. CVUK said that Mr F was sent an email in March 2023 to confirm he could have his private plates added to his new car on 11 March 2023. It said the information provided was clear and confirmed that the private plates could be transferred to Mr F's new car to coincide with the handover date. Therefore, it didn't uphold this part of his complaint.

Our investigator didn't uphold this complaint. She said that although Mr F had wanted the new car in June 2022, it wasn't available due to factors outside of CVUK's control. She noted the terms set out that CVUK wouldn't be in breach in these circumstances and that there was no guarantee of a set delivery date. She said that CVUK had told Mr F that his existing agreement could be amended to include a higher mileage allowance, but Mr F didn't take up this option. She found the excess mileage had been applied correctly and so didn't require CVUK to do anything in regard to this part of Mr F's complaint.

Regarding Mr F's complaint about his private registration plates, our investigator noted that while there may have been some confusion over whether Mr F wanted to transfer his private plates, or for the new car to have the 23 registration plates, it was Mr F's responsibility to arrange with the DVLA for the private plates to be removed from the car he was handing back. She noted the costs charged being a £30 administration cost and £80 to the DVLA to place the private plates on retention and said that the £80 cost was set by the DVLA and that the £30 fee was set out in CVUK's terms and so she didn't require CVUK to do anything further in regard to these costs.

Mr F didn't agree with our investigator's view. He said his hire agreement didn't mention anything about delays in the delivery of a car.

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.

There are two parts to Mr F's complaint. The first that he was charged excess mileage which he doesn't think he should pay as he says he only incurred this cost because of the delay in his new car being delivered. Second that his private registration plates were transferred to his new car rather than the car being provided with the new 23 registration plate as he had requested.

I have considered both of the complaint points separately.

Excess mileage

Mr F entered into a hire agreement with CVUK in May 2021. This agreement sets out the excess mileage charge as £0.20 (20p) per mile if the annual base mileage is exceeded. The terms and conditions set out further details about the mileage allowance, how this is amended depending on how long the car is kept and how to request a change to the allowance if needed. The handover document from June 2021 includes Mr F's mileage allowance as 24,000 miles which CVUK has explained is for a 24-month period. Mr F was aware of his mileage allowance being 12,000 miles a year and based on the information provided to him in the hire agreement and terms I find he was made aware of the costs involved in exceeding this.

CVUK said that Mr F contacted it in February 2022 to discuss his mileage allowance as well as upgrading his car. At that time CVUK said Mr F was exceeding his mileage allowance by 5,139 miles. CVUK then emailed Mr F on two separate occasions providing him details of the costs involved with increasing his mileage allowance. While I note Mr F's comment that he had no specified timeframe for the delivery of his new car and he thought he could keep within the mileage limit, I find that CVUK did try to support him and provide him with options to avoid or reduce his excess mileage.

Mr F ordered a new car in February 2022, which he expected to be delivered in June 2022. Mr F said that he was taking a long trip in September 2022 which increased his mileage, and as the new car wasn't delivered until March 2023 his mileage increased further. Mr F said that had the new car been delivered in June 2022 he would have been able to keep within his allowance.

I understand the point Mr F has raised and can see in the terms and conditions of the hire agreement that it says he can switch his car at any point so long as he has had the current car for at least three months. It then says that depending on the availability of the car the customer wishes to switch to the switch may take three months or more to achieve. So, while I appreciate that Mr F made his request in February 2022 and was expecting to get the new car in June 2022, this wasn't guaranteed. CVUK has explained the circumstances the motor industry was facing at the time and the disruption that was being caused to supply chains which were causing delays. So, while I understand that Mr F had wanted to receive the new car sooner than March 2023, as I have nothing to show he was guaranteed a delivery before then - and based on his comments he was made aware of the timing for the delivery - I do not find I can say that the delay in delivery means that CVUK should not be able to charge for the excess mileage.

Mr F benefitted from the additional mileage he drove and was aware of the cost this would incur and so I do not find I can uphold this part of his complaint.

Registration plates

I have listened to the call provided by CVUK from March 2023, when the issue of the private registration plates is discussed. It appears from the call that CVUK had become aware that Mr F may not wish to switch his private plates from the existing car to the new car and they were checking this. I can understand why Mr F was frustrated by the outcome of the call as he was told if he didn't want to transfer his private plates, he would need to have these removed from his existing car and placed on retention before the car was returned and that this could take up to six weeks. As Mr F was taking delivery of the car a few days later this didn't allow him the time to do this without delaying getting the new car.

Mr F mentions on the call that he had discussed the registration plates a couple of months prior and wasn't told about this issue. I haven't any details of this call but clearly it would have been helpful if Mr F had been provided with the information about his private plates earlier. That said, it was Mr F's responsibility to return the car without the private plates and he could have contacted CVUK or the DVLA to understand the steps he needed to take to do this. Mr F said on the call that he would take the new car with his private plates being transferred. As this was agreed, I find it reasonable that he was charged the £80 DVLA fee as well as the £30 administration fee which is set out in the hire agreement terms and conditions.

In conclusion, while I understand why Mr F is upset by the issues he experienced; in this case I do not find I can say that CVUK was wrong to take the action it did. Therefore, I do not 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 F to accept or reject my decision before 9 November 2023.

Jane Archer
Ombudsman