

The complaint

Mr O complains that Volkswagen Financial Services (UK) Limited trading as Skoda Financial Services (SFS) should have advised him earlier that he could reduce his mileage on his Contract Hire Agreement. He would like a refund of £3545.28 to reflect what he says he would have saved had he reduced his mileage in 2020.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead, I will 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 have reached the following conclusions:-

- I have seen the contract Mr O signed which doesn't specifically state the provision to reduce the agreed mileage allowance. However, this information is clearly available on SFS's website so I do believe this information was available to him.
- Mr O has told us he only became aware he could reduce the mileage on his contract in June 2023 when he wanted to extend his agreement. From the information provided I can see that in April 2021 Mr O emailed SFS to change his address. At this point he was advised that, based on his current mileage reading, he wouldn't reach his contracted mileage allowance. SFS gave him the option of a no-obligation quote to reduce the contract mileage allowance but Mr O didn't pursue this. So, I don't agree Mr O only became aware of this in 2023, or that SFS weren't proactive in advising him of this, as they did so when he was in touch in 2021.
- I appreciate Mr O's comment about business support during the pandemic. As our investigator has explained guidance at the time was that customers in financial difficulty could expect temporary, exceptional immediate support. But I haven't had any evidence to show Mr O was having financial difficulties at this time. So, I don't believe there were any grounds for SFS to make any adjustments for Mr O relating to his mileage or anything else at that time.
- Based on all the information that I have seen I don't think I can reasonably ask SFS to compensate Mr O for the mileage he feels he overpaid. The information on mileage reduction was available to him, and he didn't take the option to do this when offered in 2021.
- SFS has however offered Mr O £200 compensation due to an error in setting up a new monthly rental in 2023 which I think is reasonable. We have checked with SFS and this offer is still available to Mr O.

My final decision

My final decision is that the business has made a fair offer.

In full and final settlement Volkswagen Financial Services (UK) Limited, trading as Skoda Financial Services should pay Mr O £200 as compensation for the error when setting up his new monthly rental agreement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 March 2024.

Bridget Makins
Ombudsman