

The complaint

Mr L complains about the service he received from Volvo Car UK Limited trading as Care by Volvo Car UK Limited (VCUK) when he asked to end his car hire agreement early.

What happened

In July 2021 Mr L entered into a 60 month hire agreement for a car with VCUK. It was a flexible agreement meaning he could end it early by given a required notice period. The monthly payments ('subscriptions') were around £750.

In March 2022, Mr L told VCUK he intended to end the agreement early as he had ordered another car. He gave VCUK the required three month notice period meaning the agreement would end in June 2022. However as there were delays for the delivery of the new car, he asked to extend the date of the car's return in June and July 2022 which VCUK agreed to.

At the start of September 2022, Mr L said he intended to return the car at the end of the month. However VCUK said he needed to give the three month notice period. Meaning the car had to be returned by December 2022 and he was required to pay the monthly subscriptions up to that point. Mr L complained, stating he had already given the relevant notice period in March 2022. VCUK maintained their position.

As VCUK said the three month notice period started from September 2022, Mr L remained in possession of the car. However around October 2022, a fault was found. There was a leak causing water to come inside the car so it was brought to a garage for repair. Mr L made VCUK aware of this and asked what this meant for returning the car. Following some back and forth, the car was eventually returned in December 2022. Mr L made a further complaint about this and included the overall level of customer service he had received from VCUK.

When the agreement came to an end, VCUK said there was an outstanding balance of over £2,600 which Mr L needed to pay. That amount included charges for excess mileage and wear and tear to the car. Mr L accepted the charges for the latter but he said it wasn't fair he was required to pay a further three months subscriptions (the notice period). He said this should be refunded and VCUK should also reimburse him for the car's insurance he had to pay during that time and to consider the trouble and upset they had caused him.

Our investigator recommended the complaint wasn't upheld. She felt VCUK had acted fairly.

Mr L disagreed and maintained his stance. In response, VCUK said to bring matters to a resolution and as a gesture of goodwill, they would agree to remove two months of monthly subscriptions from the outstanding balance. Meaning he had around £1,100 left to pay. Mr L didn't believe this was enough to put things right.

In October 2023, I issued my provisional decision and said I find Volvo has done enough to put things right, I said:

"Notice to end the agreement early

As a starting point, I reviewed the terms and conditions. It makes it clear to end the agreement early, consumers must give three months notice to VCUK. Mr L doesn't dispute this, he's aware of the same.

Both parties accept in March 2022, Mr L provided such notice. He told them the reason for this was he had ordered another car. He was told the car needed to be returned by June 2022 and the agreement would come to an end. Based on VCUK's call notes, I can see in June 2022 Mr L contacted them to explain the delivery of his new car had been delayed and he asked to extend the car's return date by a month which VCUK agreed to. A further request was made in July 2022 and again accepted. I find VCUK acted fairly given the situation. However in August 2022, when Mr L cancelled the car's return, VCUK said he would need to give three months notice if he still intended to end the agreement early. In September 2022, Mr L told them he intended to return the car by the end of the month and VCUK reiterated he needed to give three months notice.

Mr L has explained his shock and frustration at being told the same and I can understand why. He's said following his two requests for one month extensions to return the car, at no point did VCUK make it clear to him that he would have to give the three month notice period again. Based on the evidence presented to me, I'm inclined to agree. There is no evidence VCUK made this clear to him in June and July 2022.

As far as Mr L was concerned, he had provided the three month notice period in March 2022 but that had been extended as agreed with VCUK so he saw no need to give it again. Given the circumstances and the lack of clarity from VCUK I can see why Mr L would think this way.

The terms of the agreement doesn't make any reference to this situation. However I've thought about the likely intention behind the required notice period. To my mind, it's to put VCUK on notice that the consumer intends to end the agreement early. In this case, I'm satisfied that's what happened. It was made very clear to VCUK that is what Mr L intended to do. He had told them he wanted the agreement to come to an end but he was just waiting for his new car to be delivered. From the contact notes, it's evident he was keeping VCUK up to date with the situation. By VCUK's own admission, they had agreed to extend the return of the car twice so it's unclear why they decided to take a different approach in September 2022.

Based on what had happened up to that point, I don't believe VCUK acted fairly by saying Mr L had to give another three months. I find it would've been reasonable for VCUK to accept Mr L's request to return the car at the end of September 2022 and end the agreement. After all, he was giving around 28 days notice which I consider to be fair. Had VCUK accepted this, the car would've been returned around the end of September and the agreement would've ended as intended by Mr L.

The return of the car

Mr L said because VCUK insisted he give the three months notice period again in September 2022 (ending in December 2022), it meant he had the car longer than he needed. As a result, he said he had to insure it for that time period and wants VCUK to reimburse him for the same.

However having read some of the correspondence VCUK sent to Mr L, I can see they told him he could return the car sooner than December 2022 but he would remain liable to pay the monthly subscriptions up to then. From my understanding, Mr L wasn't inclined to do so as he would've been paying for a car that he had no use of. While I understand Mr L's sentiment, that was his decision to make, I can't hold VCUK responsible for that. As Mr L

had the option of returning the car earlier (meaning no insurance costs would've been incurred for three months), I won't be asking VCUK to reimburse him for the cost of the insurance.

This meant the car remained in Mr L's possession. During this time, I understand it developed a fault meaning it had been returned to the garage for repair. It's worth pointing out there is insufficient evidence to show the fault was caused by Mr L. The comments of the repair garage indicate they believed it may have been a manufacturing fault.

I can see Mr L made VCUK aware of the car being in the garage for repair and he made attempts to ask them how that would impact the return of the car as he was required to do so by the start of December 2022. However I can't see he ever got a clear or sufficient response from VCUK so I can understand why he was getting increasingly frustrated. His questions were fair and reasonable given the situation. Despite VCUK being made aware of the car being in the garage, at one point they asked him to confirm the date the car would be returned and said if he didn't respond within five days, he may be required to serve another three months notice. I don't find VCUK acted reasonably here as Mr L had no idea when the car would be fixed.

Mr L has told our service while the car was in for repair, he suggested to VCUK that they simply end the agreement as it was no longer in his possession. According to him, VCUK insisted he take the courtesy car despite him saying he didn't need it because his new car had already been delivered. While I accept Mr L's version of events, I don't find his actions support that. I say this because it's clear he accepted the courtesy car and its later replacement. He didn't have to accept the courtesy car if he didn't need it, he could've simply declined it and not driven it away. So I've taken this into account when looking at this complaint- he was given a courtesy car and it would appear he made use of it.

Customer service

Mr L says overall he received a poor level of service from VCUK. This includes his requests for management to call him not being fulfilled and being given inadequate responses when he asked about returning the car while it was in the garage. Given Mr L's strength of feeling about what happened, I can understand why he wanted to speak to a manager however I must stress, this isn't an absolute right. When it was clear he was unhappy with what was happening, a complaint was raised and looked into by the relevant team which was a fair course of action. I don't find VCUK was obliged to arrange for a manager to call Mr L but I can appreciate his frustration being given the impression that would happen.

Based on the extent of communication to VCUK, it's clear this situation was causing Mr L upset and worry. He was seeking support and assistance from VCUK about the car but their responses weren't particularly clear nor forthcoming. Overall, I find VCUK's level of service could've been better.

Summary

Taking everything into account, I'm satisfied Mr L gave his three month notice period in March 2022 and VCUK agreed to extend it on at least two occasions. I don't find VCUK treated him fairly by saying he had to re-serve the three month notice in September 2022. In my opinion, it would've been reasonable to allow him to return the car and end the agreement at the end of September 2022 as he had requested. However as that didn't happen, he remained in possession of the car and a courtesy car which he had the benefit of using.

To resolve matters, VCUK has already agreed to refund two monthly subscriptions and based on what has happened, I consider that to be fair. Had they not made this offer, I would've said they needed to have done something to put things right. I know Mr L wants the return of three months subscriptions and the reimbursement of the insurance. But given his continued use of the car (including the courtesy car) and the fact he was initially given the option to return the car sooner but chose not to do so, I'm not minded to say VCUK needs to refund all of these costs".

Response to the provisional decision

Volvo accepted the provisional findings. Mr L disagreed and maintained his position.

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.

I appreciate Mr L's disappointment by my findings. I would like to assure him that I've thought carefully about his further response. However having done so, I don't consider he has provided any new information that I haven't already taken into account so I don't believe it's necessary to provide any further comment.

On the basis I haven't been provided with any further information to change my decision I still consider my findings to be fair and reasonable in the circumstances. Therefore, my final decision is the same for the reasons as set out in my provisional decision.

My final decision

Volvo Car UK Limited has already made an offer to settle the complaint (as outlined above) which I find is fair in all the circumstances.

So my decision is that Volvo Car UK Limited trading as Care by Volvo UK should remove two months subscriptions from the outstanding balance owed to them by Mr L under this hire agreement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 November 2023.

Simona Reese
Ombudsman