

The complaint

Mr M complains about a car he acquired through a hire purchase agreement with Volkswagen Financial Services (UK) Limited (VWFS). Mr M is unhappy that he was not provided with the V5 registration document when he got the car and he has since been unable to tax the car. As he has been unable to tax the car he has not been able to use the car and it has been off road.

Mr M believes VWFS has acted fraudulently by taken an initial deposit and then monthly amounts for a product that he believes he has no ownership or control over.

What happened

In May 2023 Mr M acquired a used car through a well known dealership brand. The car cost around £34,000 and the majority of the cost was funded through a regulated hire purchase agreement with VWFS. The vehicle invoice included six months road fund licence at a cost of £313.50, which would ensure the car is taxed until the end of September 2023.

Mr M took possession of the car in May 2023 and I understand used the car without any problems for around six months. The vehicle tax was due on 1 October 2023, but Mr M had not received the V5 registration certificate. Mr M says that he had tried several times to get the dealership to provide the document to him, but he had still not received it.

Mr M complained to VWFS about not having received the document and that he was not the legal owner of the car. VWFS responded to Mr M's complaint and explained that the retailer is solely responsible for the selling of the vehicle and for providing the V5 document. VWFS suggested Mr M contact the dealer directly.

Mr M remained unhappy with VWFS's response and referred his complaint to our service. It was considered by one of our investigators, who set out why they had partially upheld the complaint. The investigator explained that the dealership had made an offer to tax the car and arrange for it to be MOT'd. The investigator also found VWFS could have done more to help Mr M when he complained and recommended VWFS pay Mr M £150.

VWFS accepted the recommendation. Mr M did not. Mr M remained unhappy, in particular that he would be expected to make the hire purchase repayments for the months he was unable to use the car. As the complaint could not be resolved informally, it has been referred to me so a final decision can be issued.

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.

First, I'm very aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and this simply reflects the

informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr M complains about a regulated hire purchase agreement he took out with VWFS. Mr M believes VWFS has acted fraudulently in taking payments from him for a car that was not registered to him. And he is unhappy the car was supplied without the necessary registration document.

I'm satisfied Mr M's complaint is one that our service can consider and is one that VWFS is responsible for. VWFS believes that the issue around the absent registration document is not something it is responsible for and Mr M should direct his concerns to the supplying dealership. I do not agree. VWFS is the supplier of the car to Mr M through the hire purchase agreement and it is reasonable in my view to ensure the car is supplied with the relevant legal documents. The V5 registration certificate is a legal document that should have been transferred into Mr M's name and should have accompanied the vehicle, or been supplied immediately after when Mr M's details had been changed.

Had the vehicle and the necessary documentation been supplied when it should, Mr M would not have suffered inconvenience in having to arrange for the document to be provided. So I am satisfied there are sufficient grounds to uphold Mr M's complaint against VWFS. However, just because I am satisfied the complaint should be upheld, this does not mean that I have found that VWFS should resolve the complaint as Mr M has asked.

There is no dispute here that Mr M should have received the V5 document shortly after taking possession of the car. Nor is there any dispute that this did not happen or that due to an error at the dealership, Mr M's details were not provided to the DVLA so the updated document could be issued.

Unfortunately, Mr M appears to be mistaken about the V5 document, what this actually shows and who the legal owner of the car is. VWFS supplied the car to Mr M under the hire purchase agreement and VWFS is the legal owner of the car. Mr M would become the legal owner of the car once all payments had been made to the hire purchase agreement. Mr M should see this set out in the terms and conditions of the hire purchase agreement.

The V5 registration certificate, more commonly known as the logbook, is a document that is required by law to include the details of the registered keeper of the car. The document says very clearly that 'THIS DOCUMENT IS NOT PROOF OF OWNERSHIP' and goes on to state, 'It shows who is responsible for registering and taxing the vehicle.' While I again accept that the V5 document should have been transferred to Mr M, it does not mean that Mr M cannot use the car.

Mr M says that he had made numerous attempts to get the document from the dealership but these had been unsuccessful. I have not been provided with any supporting documentary evidence, such as emails or telephone records, that show the extent of Mr M's attempts to resolve the matter with the dealership. I accept however it is likely some attempts were made. In light of these unsuccessful attempts it would not be unreasonable in my view to have expected Mr M to arrange for the document to be provided through the DVLA himself.

It is unfortunately not uncommon for these documents to be lost and the DVLA therefore has a process for obtaining replacement documents. The requirement, as set out on the DVLA website, is that the applicant must be the registered keeper. I accept that Mr M may have had to have had some discussions with the DVLA to explain the circumstances in order to get the required V5 registration certificate, but I'm satisfied this would have provided a resolution to the problem he faced and ultimately resulted in the necessary documentation correctly showing him as the registered keeper. Therefore, allowing Mr M to tax the car and continue using it.

As far as I am aware, Mr M did not contact the DVLA but instead chose to stop making the repayments to the hire purchase agreement and arranged for the car to be stored off road at considerable cost. This is not a reasonable response in my view and I do not therefore consider it reasonable to now instruct VWFS to write off the repayments that Mr M now owes or take back the car and write off everything that is due under the hire purchase agreement. Nor do I consider VWFS should be responsible for the storage costs Mr M says he has incurred.

I am fully aware that my decision here will come as further disappointment to Mr M as I understand the financial burden this is likely to now present to him. But for the reasons set out above, I am only partially upholding this complaint and there are insufficient grounds in my view to direct VWFS to pay anything more than a modest sum for the inconvenience initially caused to Mr M. I have considered what that amount should be and I'm satisfied that £150 is reasonable for the initial inconvenience caused by not providing the necessary V5 registration certificate.

I do not consider VWFS should compensate Mr M for any additional losses he says he has incurred or be required to write off any sums due under the hire purchase agreement. I therefore make no further award or instruction and would urge Mr M to now contact VWFS to discuss what options he now has moving forward.

My final decision

My final decision is that I uphold Mr M's complaint in part and direct Volkswagen Financial Services (UK) Limited to pay Mr M £150 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 November 2024.

Mark Hollands
Ombudsman