

The complaint

Miss D has complained about how Volkswagen Financial Services (UK) Limited ('VWFS') handled her complaint about her car.

What happened

Miss D entered into a finance agreement with VWFS for a car. But in September 2023, a warning light came on, soon after a software update had been performed. So, it went into the dealership and Miss D was given a courtesy car. This was a Volkswagen, but Miss D explained it was too large and wasn't electric. When she raised this, she was told she'd be given an electric car. But, when the car arrived, it wasn't a Volkswagen, and she didn't think it was comparable with her own car.

Miss D complained to VWFS in January 2024, partly about the courtesy car, and partly about how long the repairs were taking. VWFS responded and offered Miss D £1,000, in recognition of the time the repair was taking, and Miss D not having enjoyment of her own car. As regards the type of courtesy car she had, it was noted that this is down to what the dealership has available.

Miss D was unhappy with this, so complained to our service. She explained that although by this point she had her car back, she'd paid £1,723.05 towards the finance agreement, but had only been offered £1,000 by VWFS.

Miss D also added points about having paid for new tyres for the car to pass its MOT, which was delayed; an extended warranty that she wouldn't benefit from while the car was being repaired; and insurance premiums she'd paid during the repair period.

One of our investigators looked into what had happened, but didn't think the complaint should be upheld. She thought the £1,000 VWFS had offered was fair.

Miss D disagreed, and explained the length of time the matter went on for caused her significant frustration, and she feels she should be refunded in full for her monthly repayments for this period.

The complaint's now been passed to me.

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'm not upholding it. I know this will be disappointing for Miss D, but I'll explain why.

It's clear that there was an issue with the car, which has now been put right. However, it's also clear there were delays, and communication could have been better from the dealership. That said, I can see that VWFS has offered Miss D £1,000, and I consider this to be a high sum. I appreciate that Miss D feels she should receive all of her monthly

repayments back, but I disagree. This is because she was kept mobile during this period, albeit with two cars that were not the same as her own car. So, a partial refund, rather than a full one, is reflective of this.

Miss D has also referred to having paid for new tyres for an MOT, but the MOT was delayed because of the repairs. But nonetheless, the car needed new tyres, for which Miss D was responsible, and there's no reason why she won't go on to have the full benefit of them. And although she was paying for insurance, she was also driving a courtesy car during this period. As regards the extended warranty, it remains the case that Miss D could have utilised it, had another issue arisen while the car was at the garage. Although I accept this would have been unlikely, given it wasn't being driven, I'm satisfied that the £1,000 offered by VWFS, when taken in the round, is also reasonable to address this.

For these reasons, I consider VWFS's offer of £1,000 to be fair, and I think it's a generous offer. Accordingly, I won't be asking it to increase it.

My final decision

For the reasons given above, it's my final decision that the £1,000 offered by Volkswagen Financial Services (UK) Limited is fair. I leave it to Miss D to decide whether she'd like to accept it, if she hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 10 March 2025.

Elspeth Wood
Ombudsman