

The complaint

Mr C is unhappy that a quote he obtained from Volvo Car UK Limited ("VC") for a hire purchase agreement increased in price after one week.

What happened

In late December 2023, Mr C enquired with VC about acquiring a new car. VC put together a finance proposal for Mr C under a hire purchase agreement over a 36 month term with monthly repayments of £403.49. Mr C didn't take the deal that day.

The following week in January 2024, Mr C says VC put through the proposal again but the price had increased to £463.16 per month over 36 months. Mr C complained.

VC issued its response to Mr C's complaint in March 2024. It said prices could change on a frequent basis due to a variety of factors. VC said it was entitled to do this as a commercial business. It said it hadn't guaranteed the price and nor did it take any money from Mr C. It offered Mr C £50 for the time taken to issue its response.

Unhappy with this, Mr C referred his complaint to this service. He said he felt he had been unfairly treated and this wasted his time. He said VC told him the first deal was for December 2023 only. He said he felt that ongoing deals should be honoured.

Our investigator looked into the complaint but didn't think it should be upheld. She said VC hadn't guaranteed the initial quote Mr C obtained and the prices of new cars could change dependent on a number of factors. She said she thought Volvo's offer to pay Mr C £50 was fair and reasonable in the circumstances.

Mr C disagreed. He said that a price increase wasn't mentioned when he obtained the initial quote and he expected the prices to be the same when he returned to complete the deal. He said the price increase had nothing to do with the cost of the car as the total amount payable and the optional payment were higher for the first quote. Mr C said VC should have done the honourable thing and proceeded with his original quote. He said generally businesses notify companies about price increases being implemented, sometimes months in advance.

As Mr C remains in disagreement, the case has been passed to me to decide.

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've read and considered the whole file and acknowledge that Mr C has raised a number of different complaint points. I've concentrated on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it – but because I don't think I need to comment on it in order to reach what I think is the right outcome. The rules of this service allow me to do this.

What I need to decide in this case is whether VC has acted unfairly or unreasonably when it didn't offer the second finance proposal on the same terms as the first one. If I don't think it did, I need to consider, what if anything, it should do to put things right.

I've reviewed both quotes provided by Mr C. Quote one is over 36 months with a total deposit of £3,300. The purchase price is £36,040 and the total amount payable is £40,911.52. The optional final payment is £22,585.88. For the later quote, the term, purchase price and deposit amount are the same. However, the total amount payable is £40,709.89 and the optional final payment is £20,236.13.

Having reviewed both quotes, I don't consider that VC has acted unfairly or unreasonably. I say this because when Mr C obtained quote one, he wasn't provided any guarantees that the finance proposal would remain the same if he came back at a later date. The paperwork Mr C has provided doesn't indicate this. It does mention that a deposit of £500 would be "*due today*". This suggests that the quoted price was only available on the day and that Mr C would need to pay £500 that same day to obtain the quoted price.

I appreciate Mr C says he told the sales advisor he would return after one week and he was under the assumption that the price would remain the same if he did return after a week. Unfortunately the price had increased. VC say this was due to finance proposal one being under an offer which was only available in December 2023. By the time Mr C obtained finance proposal two, it was a different month and so, the offer was no longer available. Mr C says VC should have told him the price would increase. However, on balance, I think it is unlikely that a pricing offer was in the control of the sales advisor and so, they wouldn't have likely known that the price may change by the time Mr C returned.

In addition, it's not the role of this service to interfere with a business's commercial decisions. This is because it's down to VC to decide what terms it decides to offer potential customers. This isn't something I can get involved with. The Financial Conduct Authority is the regulator.

Overall, although I understand that Mr C feels strongly about the matter, I don't think VC has acted unfairly or unreasonably. So, I don't uphold Mr C's complaint. Having said this, VC offered Mr C £50 for the delays caused. I think this amount is fair and reasonable in all the circumstances.

My final decision

My final decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 August 2024.

Sonia Ahmed
Ombudsman