

## **The complaint**

Mr F complains about refurbishment and extended hire charges he received from Volkswagen Financial Services (UK) Limited, trading as Audi Financial Services (who I'll call "VWFS") when he returned a car he had been hiring through an agreement with them.

## **What happened**

Mr F took receipt of a new car in February 2018. He financed the deal through a hire agreement with VWFS. The agreement was due to end in July 2021 but was extended until 9 March 2022. In September 2021 VWFS agreed a further extension until 9 May 2022.

When the car was returned and inspected VWFS said there was damage to the vehicle, and they asked Mr F to pay some refurbishment charges. They also asked him to pay additional hire charges for the car to cover the most recent extension period.

Mr F complained to this Service and VWFS agreed to waive the refurbishment charges. But they thought the additional hire charges had been fairly made and so did our investigator.

Mr F didn't agree so his complaint has been referred to me, an ombudsman, to make a final 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.

I know it will disappoint Mr F, but I agree with the investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments 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.

As the refurbishment charges have now been waived by VWFS I don't think I need to consider them in any detail here. VWFS have been fair to waive them.

Mr F says that in September 2021 VWFS agreed to extend his agreement for a further two months without charge. VWFS say that they don't have evidence of that. An email from VWFS to Mr F on 14 September 2021 explained:

*"Due to you not being advised correctly as a gesture of goodwill we can allow a further 2 months informal extension. Your new contract end date would be 9th May 2022. Following that we can look to reduce your mileage as there would be more than 6 months left on your agreement."*

Mr F has explained to us that he wanted to reduce the mileage on his agreement but that initially VWFS were unable to facilitate that as they weren't allowed to if there was less than six months to run on it. I can understand that in those circumstances an informal extension was arranged but I can't see that VWFS agreed to provide that extension to Mr F free of charge.

Mr F paid his last instalment in February 2022 and that covered his February hire. The additional rental is to cover the period until the car was collected in May 2022 and at a daily rate that is proportionate to the monthly instalments Mr F had been making. That was in line with the terms of the agreement Mr F had with VWFS. As the final extension was an informal one I can understand that no further payments would be taken through direct debit and, ultimately, I'm not persuaded that VWFS were unreasonable to levy the additional hire charges that they did.

### **My final decision**

For the reasons I've given above, I uphold this complaint in part and tell VWFS to waive any refurbishment charges they were asking Mr F to pay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 August 2024.

Phillip McMahon  
**Ombudsman**