

## The complaint

Mr H complains about the service he's received from Volkswagen Financial Services (UK) Limited trading as Skoda Financial Services ("Skoda"). He says it's holding him to the mileage allowance on his credit agreement.

## What happened

In February 2023, Mr H took out a hire purchase agreement with Skoda for a used car. The cash price of the car was £13,659.90, and after taking account of his advance payment, the amount of credit provided was £12,459.90. This was to be repaid over a 46-month term with monthly payments of £222.58.

Mr H says that when he acquired the car, he was between jobs and did not know the annual mileage he'd need under the agreement. He says the supplying dealership told him that he'd be able to change this part of the credit agreement at a later date if his circumstances required it. But he says when he contacted Skoda to change the mileage allowance, he was told this wasn't possible.

To resolve this complaint, Mr H would like the mileage allowance on his agreement to be amended, or for excess mileage to be taken into account when he reaches the end of the agreement.

Mr H told this Service that he thinks the supplying dealership used an unfair sales pitch. He says he is *"not saying that had I known the mileage couldn't be changed I wouldn't have bought the vehicle, because I would have"*. The difference, he says, is that he'd have selected a higher mileage allowance from the outset.

Skoda rejected this complaint. It says that the finance agreement and pre-contract information clearly state the maximum annual mileage allowance, and they also set out the excess mileage charges. Skoda says the *"purpose of the pre-contractual document is to provide you, as the borrower with high level information about the finance offer in order for you to make an informed decision about your purchase. This includes the repayment schedule under the agreement"*. And it says that even after signing the agreement, Mr H had a 14-day period in which he could've walked away from it had he become unhappy with any of the terms.

Our investigator looked at this complaint and said he didn't think it should be upheld. He said that on the basis of everything he'd looked at, there simply wasn't enough evidence for him to safely conclude that Mr H had been mis-informed when he acquired the car. And because of this, he didn't think it fair to ask Skoda to do anything more to resolve this complaint.

Mr H disagrees so the complaint comes to me to decide. He says *"I feel that as the 'little guy' against this big company I feel I should be favoured especially in this current climate where cars are a luxury. I am only asking for the outcome to be fair and for me to have what was sold to me for the mileage to be able to change for the final months I have in the agreement"*.

## 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 taken everything into consideration, I've reached the same conclusion as our investigator, and for broadly the same reasons. I'll explain why.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable. As the hire purchase agreement entered into by Mr H is a regulated consumer credit agreement this Service is able to consider complaints relating to it.

This is a finely balanced case; the two parties simply do not agree. Mr H says he was given certain information at the time he acquired the car. Skoda relies on the credit agreement and its terms and conditions that Mr H signed.

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 - what I think is *more likely* to have happened.

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.

It's important to say at the outset, because I wasn't present when the discussions took place between Mr H and the dealership, I can't be *certain* of what was said. There's no contemporaneous evidence of what was discussed. In the circumstances, I need to look at the available documentary evidence in order to determine what's *more likely* to have happened at the time when the agreement was entered into.

I looked closely at the hire purchase agreement. The agreement was a valid and legally binding document, which has been signed by Mr H, and, in doing so, he had agreed to be bound by its terms and conditions.

The agreement says, "*the maximum annual mileage is 6000 and the maximum total mileage is 76,377*". And it goes on to explain that exceeding this limit – either annually, or in total – will result in an excess mileage charge. And there are no options within the agreement to amend or alter the maximum annual mileage.

Furthermore, the pre-contract information that Mr H signed on 20 February 2023 says, "*I confirm I have read or have been provided with...An explanation that where an estimated mileage is applicable, it is a fundamental term of the agreement and that estimating mileage too low may result in an excess mileage charge being payable when the agreement ends or is terminated at any time. I have checked that the estimated mileage is correctly stated on the agreement*".

So, although I don't know what was said at the time Mr H took out the agreement, I simply can't conclude that it is *more likely than* not that he was told he could change his mileage allowance at a later date.

I've also considered whether Mr H has a valid claim for misrepresentation, but I'm satisfied he does not. I say this because he told this Service that he wasn't claiming that "*had I known the mileage couldn't be changed I wouldn't have bought the vehicle, because I would have*".

I understand Mr H's frustration, it will have been difficult deciding on a mileage allowance in his circumstances – he was between jobs – and as he says, he simply would not have known the mileage he'd require. But I can't hold Skoda responsible for that.

I know Mr H will be disappointed with the outcome of his complaint, but I hope he understands why I've reached the conclusion that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 April 2025.

Andrew Macnamara  
**Ombudsman**