

The complaint

Mrs T is unhappy with a car that was supplied to her under a hire purchase agreement with Volkswagen Financial Services (UK) Limited, trading as Skoda Financial Services.

What happened

On 18 October 2022 Mrs T took out a hire purchase agreement with VWFS. This was for a two-year-old car with a cash price of £19,817. Mrs T said the dealer told her it had covered 30,000 miles.

Mrs T said this car was supplied in exchange for another car. Soon after she'd exchanged these cars, Mrs T complained to VWFS about problems she'd discovered with the previous car, the arrangements for it to be exchanged, and the replacement car. I've issued a separate decision explaining why I won't be looking into that complaint for her.

Mrs T contacted VWFS again in July 2023. She told them the mileage recorded on the hire purchase agreement was incorrect – the car had covered around 34,800 miles instead of the 30,000 miles shown.

VWFS responded, saying they'd amended their systems to show a start mileage of 33,962. They said they'd also added notes to Mrs T's account to make sure a more accurate figure would be used to calculate any excess mileage charge that might be applicable if she decided to return the car when the agreement ended.

Still dissatisfied, Mrs T referred her complaint to our service. But after looking into what had happened, our investigator said he didn't think the car's mileage had been misrepresented to Mrs T. And, as VWFS had amended the start mileage on their systems and Mrs T had sold the car, he didn't think the incorrect mileage had caused any impact. So, he didn't think VWFS needed to do anything else.

Mrs T disagreed with our investigator's view, and in particular the impact this situation had on her and her husband. She felt she'd been seriously disadvantaged and lost a lot of money. Mrs T asked for her complaint to be reviewed by an ombudsman, so it's come to me for 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.

As the agreement Mrs T signed on 18 October 2022 was for hire purchase, I can consider her complaint about the accuracy of the mileage figure that was recorded on it. I've seen a copy of that agreement, which records the mileage to have been 30,000.

It isn't disputed that this figure wasn't accurate. In response to Mrs T's complaint, VWFS confirmed that the dealer's sales invoice recorded the mileage to have been 33,962. Our service isn't here to punish businesses for making mistakes. My role is to consider the

impact the error was likely to have had on Mrs T and decide whether VWFS have done enough to put things right.

I've given careful thought to the impact of the mileage figure the dealer had provided and recorded on the hire purchase agreement. I'm not persuaded that this misrepresented or misdescribed the car. I consider it to be a fairly common practice for mileages to be rounded up or down when cars are bought and sold.

I don't think it's reasonable for a buyer to expect a car that's described as having covered 30,000 miles to have travelled exactly that distance. If the exact mileage was important to Mrs T, I think this was something she should've checked before she signed the agreement.

And I'm not persuaded that the mileage figure shown on the agreement was the only information that was available to Mrs T before she signed. I've seen nothing to suggest the mileage wasn't accurately recorded on the dealer's sales invoice and the car's dashboard display.

I appreciate Mrs T was in a rush that day because she was anxious to get her husband to an important hospital appointment. She's told us that her husband has a disability, and that he was facing major surgery at the time. I'm sorry to hear about that - I can appreciate it must've been a very stressful time for her. But if Mrs T wasn't prepared to accept a car that had covered any more than 30,000 miles, I'd expect her to have queried this before she signed the agreement and drove the car away.

Mrs T feels she's lost money as a result of getting this car. As I've explained, in this decision I'm only considering the impact of the inaccuracy of the mileage provided and recorded on the agreement. And I'm not persuaded that a difference of 4,000 in the mileage would affect the car's desirability or resale value.

I note that Mrs T could potentially have become liable to pay an additional charge if she exceeded the maximum mileage permitted by the agreement. For that reason, I do think it was important for VWFS to ensure they held accurate information about the car's mileage. I'm pleased to see they've amended their records to more accurately reflect the start mileage, so I won't be directing them to do anything more.

My final decision

Although I realise Mrs T will be disappointed with this decision, for the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 26 September 2024.

Corinne Brown
Ombudsman