

The complaint

Mrs C complains that Volkswagen Financial Services (UK) Limited trading as Audi Financial Services (“AFS”) misrepresented the terms of her hire purchase agreement. She also complains she was pressured into signing the agreement.

What happened

In May 2024 Mrs C acquired a used car financed through a hire purchase agreement with AFS.

Unhappy with the way the finance agreement was sold Mrs C raised a complaint with AFS. She said the salesperson had not explained any of the terms and conditions. She said the only piece of information she was told was the monthly payment and she’d been sent the agreement by email link but had not had time to review it. She said she received six phone calls on the 31 May 2024 pressuring her to sign the agreement.

When she went to the garage Mrs C said she expected everything would be ready and she would have a chance to go through the finance with a business manager and then fully check the vehicle, but this didn’t happen. Mrs C said she asked about the service history of the car and was told there had only been one previous owner. Mrs C said by the time she needed to leave the dealership she hadn’t test driven the car and there was no time for a demonstration. She said she would read the finance document over the weekend and drive the car. She told the dealer that if she wasn’t happy she would return as she believed she had a 14-day cooling off period.

Mrs C said she was mis-sold this finance and had felt pressured into completing the agreement remotely. She was then rushed into collecting the car. She also said the dealership clearly displayed on their own website, social media and through the Audi used approved website an offer for a free EV charger and £500 finance contribution, but she didn’t receive these.

Mrs C also complained that the mileage on the finance agreement differed to the car’s actual mileage. The car hadn’t been properly prepared (polished and cleaned inside).

In its final response AFS did not uphold Mrs C’s complaint regarding the finance agreement terms or the charger and finance contribution offer. It did agree to have the vehicle polished and accepted there was an error in the recorded mileage and offered her £132.86 in compensation. Mrs C wasn’t satisfied and brought her complaint to this service.

Our investigator concluded that AFS had acted fairly when it dealt with Mrs C’s complaint. Mrs C didn’t agree and asked for a decision from an ombudsman. She made some additional comments to which I have responded below where appropriate.

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 realise this will come as a disappointment to Mrs C but having done so I won't be asking AFS to do anything further.

I trust Mrs C won't take it as a discourtesy that I've condensed the complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it to reach the right outcome.

Section 56 of the Consumer Credit Act 1974 (CCA) says that a finance provider can be held responsible for any 'antecedent negotiations' conducted by the credit broker. By this I mean what was said or done before the credit agreement was entered by the customer. It explains that finance providers are liable for what is said by a supplier before the agreement is signed – where there's a debtor-creditor-supplier agreement. I must take account of relevant law when deciding and in this case Section 56 does apply. In Mrs C's case, the dealership functioned as AFS' agent with the hire purchase agreement. So, I can consider Mrs C's complaint against AFS.

No contemporaneous evidence of what was discussed when Mrs C visited the dealership or spoke on the phone, has been provided, no notes or witness statements. I wasn't present when Mrs C visited the dealer, and no call recordings are available, so I can't be certain of what was said. Where facts are in dispute or information is unclear or contradictory - as some of it is here - I reach my conclusions on the balance of probabilities. That is, what I think is most likely to have happened considering the available evidence and the wider surrounding circumstances.

Mrs C has made broadly two complaints. Firstly, that the finance agreement was misrepresented to her. And secondly that AFS employed pressure selling tactics to get her to sign the agreement.

Was the agreement misrepresented?

A misrepresentation is a false statement of fact which induces a customer to enter an agreement and to suffer loss because of that misrepresentation.

AFS said the dealership confirmed it was not participating in the offer. It said the dealer also confirmed this with Mrs C prior to her purchasing the vehicle. I've looked at the documents and there is no mention of a £500 dealer contribution or charger being provided in the agreement or dealer invoice. AFS told this service that the dealer was a separate franchised business and wasn't obligated to participate in the offer. It said the offer isn't written into the finance terms and so wasn't mis-sold. AFS said it would have been down to Mrs C to clarify all the options available with the sales team at the point of sale prior to agreeing to the terms and signing the contract.

I've seen images/screenshots of the offer, but the terms and conditions are not included, nor do they state that the dealer involved would be participating in the offer.

Mrs C has said the offer of free charger and £500 was included in the range of offers advertised, and this advertisement was on Audi's own website and on all the linked approved Audi retailer websites. She said the offer was displayed for months and the dealer involved is clearly shown on the website.

I'm not disputing Mrs C's version of events, nor do I doubt her strength of feeling in this matter as she is quite certain the charger and finance contribution would be included. For obvious reasons I'm not able to say what was said during face-to-face discussions which took place at the dealership. So, I must rely on what evidence is available and what I believe likely occurred. I would fully expect to see any finance contribution noted on the agreement and invoice were it part of the package. These are not present. And as I note below Mrs C was aware she could ask questions about the agreement. So, I think it unlikely the dealer said they would be included, and I don't believe the agreement was mis-sold on this basis.

Did AFS pressure Mrs C into signing the agreement?

AFS said details of the agreement were sent to Mrs C on 28 May and these documents were subsequently electronically signed on 31 May. She was also given the opportunity to test drive the car.

Mrs C said the dealership were fully aware she had not read the finance agreement. She expected it would be explained to her when she visited the premises, but this didn't happen.

I've seen a copy of the pre-contractual explanations checklist which was also signed by Mrs C on 31 May. It says:

I confirm I have read or have been provided with:

The Pre-Contract Credit information and been told that I should read it carefully and consider the information before I sign the finance agreement, and that I am able to take it away to read it.

An explanation of how much I will have to pay periodically, the interest rate and total amount payable, under the finance agreement.

An explanation of the features of the finance agreement which operate in a manner which I might not have foreseen, sufficient to satisfy myself it meets my needs and financial situation.

An explanation of the 'right to withdraw' from the finance agreement and when this right may be exercised.

An opportunity to ask questions about the finance agreement, together with the contact details of Audi Financial Services where further details may be obtained and questions directed.

Having signed this checklist Mrs C confirmed she had been provided with the above information. I can see Mrs C had the agreement for three days but said she didn't have time to read it fully. While I understand the dealer called Mrs C during this time, I'm satisfied Mrs C was provided with the opportunity to read the agreement away from the dealership. I'm also satisfied Mrs C had had the 'right to withdraw' explained or if not, she knew she had the opportunity to ask about it. It is also explained in the agreement itself.

I haven't seen any evidence Mrs C was pressured into signing the agreement. Having signed the checklist I'm persuaded she was aware of what had been agreed and was not pressured into signing the agreement.

Mileage and condition of the vehicle

Mrs C said the dealership assured her the car would be properly prepared. She said it

wasn't, and it was not in a condition she would have accepted given a choice. I don't agree Mrs C didn't have a choice. She has said she didn't have much time when she went to the dealership, but this isn't something I can hold the dealership or AFS responsible for. Mrs C was given the opportunity to inspect the car. The dealership has offered to re-polish the vehicle which I think is reasonable.

Mrs C also said the mileage was misrepresented, the vehicle would have a full-service history and only had one previous owner, when in fact it had three. The mileage discrepancy was around 770 miles on a car that had been driven just under 20,000 miles. If I am to be persuaded the car was mis-sold I would need to be satisfied the mileage listed on the finance agreement induced Mrs C into buying the car. I haven't seen any evidence that this was the case. The dealer offered compensation of £132.86 regarding the incorrect mileage noted on the finance agreement and I think this is fair and reasonable. I also haven't seen any evidence the dealer withheld or gave inaccurate information regarding the number of previous owners. Again, I'm not disputing Mrs C's testimony, but we are an evidence-based service and without evidence I must rely on what I believe is more likely.

I'm sympathetic to the fact this is not the news Mrs C would like but I'm not persuaded there's enough evidence to show AFS has acted incorrectly in these circumstances or that the finance agreement was mis-sold to Mrs C. So, I find that it wouldn't be fair or reasonable for me to require AFS to take any action in response to Mrs C's complaint.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 19 August 2025.

Maxine Sutton
Ombudsman