

The complaint

Mr Y complains about the customer service that he's received from Volkswagen Financial Services (UK) Limited, trading as Audi Financial Services, in connection with a hire purchase agreement under which a car was supplied to him.

What happened

A new car was supplied to Mr Y under a hire purchase agreement with Audi Financial Services that was signed in December 2018. The price of the car was £62,110, Mr Y made an advance payment of £12,600.23 and he agreed to make 48 monthly payments of £631.23 and a final payment of £23,417.50 to Audi Financial Services.

Mr Y complained to Audi Financial Services in May 2021 and it responded to his complaint in June 2021. It said that it understood that Mr Y's complaint was that: he was unhappy with the call wait times when attempting to contact Audi Financial Services to discuss his options following being affected by Covid-19; he was unhappy with the options available to him following being affected by Covid-19; and he was unhappy that it was unable to generate a settlement figure for 72 hours following a payment deferral request. It partially upheld his complaint.

Mr Y complained to Audi Financial Services again in July 2022 and it responded to that complaint in September 2022. It said that it understood that Mr Y's complaint was that: his application for finance was declined; he was unable to get a decision on his refinance before November 2022 and it had deliberately kept him in a worse financial state by declining his credit applications for a car that would've meant reduced monthly rentals; when his servicing plan ended, there was an outstanding balance of £23.59; and he wasn't happy with its communications. It offered him £50 compensation for its error relating to the servicing plan and £150 as a goodwill gesture for his issues with its communication. Mr Y accepted £200 compensation from Audi Financial Services later that month. The hire purchase agreement was settled in September 2022 when Mr Y's application for refinancing was accepted and his monthly payment reduced to £321.71.

Audi Financial Services wrote to Mr Y in June 2024. The letter said:

"Our records show that you made us aware of some specific circumstances which you were experiencing during this time. We appreciate that this information may have been sensitive or difficult to share. We understand that this may have been a particularly challenging time, and you may have found it difficult to share your circumstances with us. We are committed to providing a supportive experience to all our customers. We are deeply sorry if the service we provided to you whilst you were in arrears did not meet your expectations and to make amends for any unnecessary inconvenience we are making a goodwill payment to you of £400".

Mr Y complained to Audi Financial Services in July 2024 and it responded to that complaint in August 2024. It said that it understood that his complaint was that: he was unhappy with the overall support it had provided to him; and he was unhappy with the goodwill payment of £400. It referred to the previous complaints that Mr Y had made to it and said that it wasn't

able to re-review them or any issues that were duplicated within them and could only address any newly raised issues. It partially upheld Mr Y's complaint as it acknowledged that the service that it provided wasn't to the level that it would usually aim to provide. It apologised for that and said that that was why it had made a payment of £400 to him.

Mr Y wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She was satisfied that the complaint issues that had been included in Mr Y's May 2021 and June 2022 complaints were brought to this service outside the required timescales so she didn't think that this service has the necessary jurisdiction to consider those parts of his complaint. She considered the support offered to Mr Y whilst he was in arrears, its decision not to allow him to refinance in May 2021 and the conditions imposed for refinancing.

The investigator said that she was satisfied that the compensation paid by Audi Financial Services to Mr Y for the support offered to him whilst he was in arrears was more than fair and more than what would usually be recommended in circumstances such as these. She wasn't persuaded that Audi Financial Services did anything wrong by not agreeing to refinance Mr Y's agreement in May 2021. She didn't think that there was anything more that Audi Financial Services needed to do about the conditions imposed for refinancing.

Mr Y didn't accept the investigator's recommendation and has asked for his complaint to be considered by an ombudsman. He's provided detailed responses to the investigator's recommendation and says that he still feels that Audi Financial Services has acted in an unprofessional manner and always acted in its best interest and never his. He also says that the intimidation that he received from Audi Financial Services should be an exceptional circumstance so that this service is able to consider his complaint about the issues he raised in May 2021 and June 2022.

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.

In this decision, I'm only considering Mr Y's July 2024 complaint about Audi Financial Services and only to the extent that those issues weren't included in his May 2021 and June 2022 complaints. I've issued a separate decision in which I've set out the reasons that this service isn't able to consider a complaint about the issues that were included in his May 2021 and June 2022 complaints.

Audi Financial Services said in its June 2024 letter to Mr Y:

"We strive to provide our customers with high quality services, and to ensure we are achieving this we regularly carry out internal reviews. We've recently looked at how we have previously supported customers who contacted us about repayment difficulties or have missed payments in relation to motor finance products.

As part of our review, we found we could have taken further steps to support some customers who have been in arrears and spoke to us about their contract. Whilst we have not specifically reviewed our interactions with all our customers, our findings show that we may not have provided you with a service that meets the standards we aim to deliver";

and the letter continued with the words that I've included in the paragraphs above under the heading "*What happened*".

Mr Y then complained to Audi Financial Services in July 2024 and it said that he was unhappy with the overall support provided to him by it and he was unhappy with the goodwill payment of £400. It said that it had carried out the review as it acknowledged and apologised that the service that it provided was not to the level that it usually aims to provide and that was why it had made a payment of £400 to Mr Y.

It also says that it acknowledges that it could have taken further steps to support some customers who had been in arrears and spoke to it about their contract and Mr Y's agreement was one that was identified and as such it offered him a goodwill gesture of £400. It says that the goodwill payment offered to Mr Y was based on the amount that it and other firms typically offer to customers when its services don't meet their expectations or when its customer's interactions with it cause them inconvenience and it wasn't looking to increase the amount of compensation that it had offered to Mr Y.

It's clear that Mr Y considers that Audi Financial Services has referred to him disrespectful in its communications with the dealer and that it has intimidated him. I've carefully considered what he's said but I'm not persuaded that its dealings with, and concerning him, would reasonably be considered to have been intimidating or disrespectful.

Mr Y says that he tried to refinance his agreement in May 2021 for a cheaper car so that his monthly payments would be lower but Audi Financial Services didn't allow him to do so. The investigator said that she could see from Audi Financial Services' records that Mr Y was told why refinancing wasn't possible after its final response had been issued in June 2021 but she couldn't see a further final response addressing his concerns so that was something that this service can consider. But she said that it was for Audi Financial Services to determine what it would consider a risk and she wasn't persuaded that it did anything wrong by not agreeing to refinance the agreement.

Mr Y says that Audi Financial Services has always acted in its best interest and never his, but I wouldn't expect it to agree to a refinancing proposal that wasn't reasonably acceptable to it. I don't consider that it was required to accept Mr Y's refinancing proposal in May 2021 and I'm not persuaded that there's enough evidence to show that it acted incorrectly when it didn't agree to that proposal or that its conditions for refinancing were unfair or unreasonable.

The June 2024 letter that Audi Financial Services sent to Mr Y was a result of its review of how it had previously supported customers who contacted it about repayment difficulties or had missed payments in relation to motor finance products and it apologised if the service that it provided to Mr Y whilst he was in arrears didn't meet his expectations and it paid £400 to him because of those issues. It's clear that Mr Y's has strong feelings about the way that he's been treated by Audi Financial Services and considers that he should receive more compensation than that so I appreciate that my decision will be disappointing for him. I consider that the £400 that Audi Financial Services has paid to Mr Y is fair and reasonable compensation for the issues about which he's complained and which this service is able to consider. I'm not persuaded that it would be fair or reasonable in these circumstances for me to require Audi Financial Services to pay any more compensation to Mr Y or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr Y's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 10 March 2025.

Jarrold Hastings
Ombudsman