DRN-5508418

The complaint

Mrs W complains that Santander Consumer (UK) plc, trading as Volvo Car Financial Services (Volvo), misled her over the excess mileage rate on her Hire purchase Agreement. She would like Volvo to honour her understanding of the mileage rate.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions: -

- Mrs W doesn't dispute she owes Volvo for excess mileage but, relying on a statement in a compliance document stating excess miles would be incurred at 'a pence per mile', believes she should only be charged 1p per mile. Whereas the contract she signed states excess mileage would be charged at £13.80 per mile.
- I have seen both the hire agreement and the compliance document. The agreement Mrs W signed has a physical signature and is dated 21 October 2020, it clearly shows on the first page of the contract that excess miles will be charged at the rate of £13.80 per mile.
- Mrs W has made the point the signature isn't on the first page where the reference to the excess mileage rate is noted. I don't think that is relevant –hire agreements usually have one signature box, as this one does, they don't have a signature box per page. I am persuaded that Mrs W did have the excess mileage information available to her in the hire agreement.
- The compliance document states that if Mrs W exceeded the agreed mileage she would pay 'a pence per mile penalty'. It doesn't state 'one pence' per mile. I believe the compliance document came from the dealership not the finance provider. I think the excess mileage figure isn't specified as I imagine this could vary according to the finance provider. I think it would have been clearer if this document said 'x pence per mile' as it seems to me the intention was to indicate there would be a (non-specified) charge applied for excess miles, I think most consumers would have read that statement this way.
- Mrs W has told us that the compliance document was read to her to explain the conditions of the agreement to her. I can't be sure what she was told, and I appreciate Mrs W can't evidence a conversation. But even if this document were read out to her, I am surprised she would have thought she would only be charged one pence per excess mile - that doesn't seem likely to me.

- However, Mrs W signed the hire agreement which clearly stated the £13.80 per mile charge. It was Mrs W's responsibility to understand the document she was signing. So, if her expectation was to only be charged one pence per excess mile I am surprised she didn't question and resolve this when she was in possession of both documents.
- Mrs W has made the point that as the UK was under COVID restrictions in October 2020 this would have impacted on the process of reviewing and executing documents, but I don't agree. Even if all of Mrs W's contact was by phone and email and she didn't personally sign the Hire Agreement – though it seems to me she did – I think she still had the relevant information for her to query the excess mileage rate stated on the contract if she genuinely believed she would only incur a charge of 1 pence per mile.
- I can't reasonably ask Volvo to allow Mrs W to only pay 1 pence per excess mile she incurred. The mileage rate is clearly stated in the hire agreement which she signed. That agreement is a legally binding document and the figure stated on that document is the one that has been used when working out what she owes.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 4 August 2025.

Bridget Makins
Ombudsman