

## **The complaint**

Mr W complains that Volkswagen Financial Services (UK) Limited, trading as Audi Financial Services (AFS) misled him over the amount he would need to pay if he ended his contract early. He would like this charge refunded.

## **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: -

- I appreciate Mr W's frustration. He requested an early settlement figure just days after he took out his agreement. He says he was led to believe he would be liable for a small amount of interest not the 58 days interest he was charged.
- I don't believe Mr W disputes the actual settlement figure – and from what I have seen I think the figure has been correctly calculated; his issue is that the figure doesn't constitute the 'small amount of interest' he says he was told he would have to pay on early settlement.
- I have looked at the contract and the pre-contract information documents Mr W signed. Whilst these don't provide a specific formula for the interest due on early settlement, they do confirm that Mr W was given an explanation of the right to withdraw and how interest would be charged if he settled his agreement early. I think from this it's fair to assume that Mr W would have been given some information, and had the opportunity to clarify the interest sum due on early settlement prior to taking out the agreement.
- Mr W has told us he fully intended to purchase his vehicle outright but was persuaded to take out a finance agreement on the basis that if he cancelled the contract early, he would only be charged a small amount of interest. And he says if he had known how high the figure would be he would have tried to negotiate a better deal. I appreciate Mr W can't reasonably evidence the conversation he had.
- However, if it hadn't been Mr W's intention to take out a finance agreement, and, as he clearly intended to settle the agreement within a day or so of taking it out, I am surprised he didn't ask for an exact calculation of what he would pay to know exactly what his obligation would be. I think he had the opportunity to do this when going through the pre contract information.
- Mr W is also unhappy as he feels the £4000 deposit contribution he received was, in effect, reduced by the amount of interest he had to pay on early termination. I can appreciate his point but as the deposit sum was higher than the interest charged on early settlement, he has had the benefit of a deposit contribution.

- I can't reasonably ask AFS to refund or reduce the early settlement fee Mr W paid. It seems to be the correct figure; I have no evidence AFS misled Mr W and I believe Mr W did have the opportunity to clarify this figure prior to signing the agreement.

**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 Mr W to accept or reject my decision before 11 August 2025.

Bridget Makins  
**Ombudsman**