

The complaint

Mr I complains that the correct Vehicle Exercise Duty (VED) was not incorporated into the order for a car he was financing through an agreement brokered by Volvo Car UK Limited (Volvo).

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr I placed an order for a car in February 2025 and Volvo brokered that deal and the associated conditional sale finance agreement for him. In March 2025 Volvo told him they would be charging an extra £1,660 as the government had increased the VED rate. Mr I complained to them as he said they were only allowed to increase the price to mirror any *new or revised* government fees and the change in the VED had been announced in the October 2024 budget.

Volvo explained that the VED was increasing from £1,640 to £3,300 on 1 April 2025 and they didn't think they were wrong to pass that increase on to Mr I in line with their terms and conditions.

Mr I referred his complaint to this service and our investigator provided an opinion. They didn't think Volvo had been unreasonable as they noted that although the intention to double the rate of VED was announced in the October 2024 budget, the specific VED rate for Mr I's car wasn't updated until the 14 March 2025, after Mr I had placed his order. They noted that Mr I was informed about the increased charge on 19 March 2025 so that he could decide whether to proceed.

Mr I was unhappy with the investigator's opinion and he, therefore, asked for a final decision by an ombudsman.

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 know it will disappoint Mr I, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I appreciate that Mr I thinks the broker should have built in the anticipated VED increase into the quotation when he ordered his car in February 2025. But at that stage, the government hadn't published the updated VED tables and the official rate for the car Mr I was taking receipt of was still showing at the lower level. I think it was reasonable for Volvo to rely on the published figures, rather than anticipate unpublished government detail. Importantly, Mr I became aware of the issue a few months before he was scheduled to be taking delivery, so he could have withdrawn from the order if he was unhappy about the increase in cost.

I've considered Mr I's recollection that the dealer told him the increase had been incorporated, but as there's no further evidence to support that assertion and the written documents points the other way, on balance, I don't think Volvo acted unreasonably in the way they dealt with the VED and I'm not asking them to take any action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 30 September 2025.

Phillip McMahon
Ombudsman