

The complaint

Mr S complains about the way in which Volvo Car UK Limited (Volvo) handled the delivery and pricing of a vehicle he acquired through a conditional sale agreement.

What happened

In February 2025, Mr S placed an order with Volvo to acquire a new car through a conditional sale agreement. The cash price of the car was £75,084. An advanced payment of £2,500 is listed, so the total amount financed on the agreement was £72,584 payable over 48 monthly repayments of £1,121.98 with an optional final repayment of £24,448.13.

Mr S complains that Volvo misrepresented the vehicle excise duty (VED) included in the on-the-road (OTR) price. Although the vehicle was scheduled for delivery after 1 April—when higher first-year VED rates applied—Volvo included the lower rate applicable to cars registered before that date. When the car was eventually handed over, Mr S said that he was asked to pay an additional VED amount, despite having agreed an OTR price that included VED. Mr S also says Volvo falsely communicated a fixed handover date of 31 March 2025, which would have avoided the higher VED, but failed to deliver the car on that date.

Mr S says he's had to pay an additional £1,650 as a result, and Volvo refused to reimburse this to him despite what had been originally agreed.

In April 2025, Volvo issued their final response which they didn't uphold. In summary, it said vehicle delivery dates were estimated and impacted by factors beyond their control. It also said the price of the car reflected the increase in VED as it took effect prior to the vehicle's delivery.

Unhappy with their decision, Mr S brought his complaint to our service where it was passed to one of our Investigators to look into.

Our investigator recommended that Mr S's complaint should not be upheld. In summary, the Investigator concluded that Volvo had acted reasonably in how they handled matters and the increase in VED was communicated and applied fairly.

Mr S didn't accept the Investigator's view and asked that the complaint be referred to an ombudsman for a final 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

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.

Mr S complains about a conditional sale agreement brokered by Volvo. Credit broking is a regulated activity, so I'm satisfied I can consider Mr S' complaint about them.

Mr S complained about the delivery date and VED increase being applied to the purchase of the car.

In the terms of the agreement under section 6.2, it says "*We are entitled to increase the price to mirror any new or revised governmental fees, charges or taxes which are decided after you have received the order confirmation but takes effect prior to the delivery of the car*". It also says in section 9.2 that the date given for delivery is an estimate which will be confirmed by the retailer closer to the actual time.

So having considered the terms of the agreement, I'm satisfied Volvo were acting fairly in relation to the date of the delivery being after the estimated date of 31 March 2025.

Volvo explained that the VED is set by the government and the exact details of it wasn't released to them until sometime in March 2025, so they were unable to apply the revised rates to the order as Mr S had placed his in February 2025. I'm satisfied that VED rates are set by government and are usually announced within its annual budget, pertaining to the following financial year. So, I don't consider that Volvo could have any impact on the timings or amount of the rates. Volvo said they issued a notice to all affected consumers advising of the changes and sent our Investigator a copy of the notification which included the rates.

I acknowledge Mr S' strength of feeling about the increase in duty, however I don't think it'd be reasonable to hold Volvo responsible for the increase, or for estimated date of delivery not being met. I've no reason to consider that Volvo's actions led to the delivery date being delayed.

I'm satisfied Mr S was made aware of the changes in March 2025, by the notification issued by Volvo. And in an email to the Investigator dated in July 2025, Volvo said they were advised by the dealership, that Mr S contacted them prior to the delivery date to raise concerns about the increased cost. Although I've not seen evidence of this I've no reason to doubt what Volvo has said, and so, although I don't consider Mr S had a significant amount of time to consider he'd have to pay the fee, as it was dependent of the delivery date, however, I'm satisfied Mr S was aware of the increase and had the opportunity to cancel the arrangement prior to taking delivery of it.

All things considered, I'm satisfied Volvo acted fairly and reasonably in how they applied the VED rates in relation to the vehicle Mr S acquired through them.

My final decision

Having thought about everything above, along with what's fair and reasonable, my final decision is that I don't uphold Mr S' complaint about Volvo Car UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 December 2025.

Benjamin John
Ombudsman