DRN-5778014

The complaint

Mrs W complains that Volkswagen Financial Services (UK) Limited ('VWFS') miscalculated her settlement quotes.

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.

Mrs W took receipt of a new car in September 2022. She financed the deal through a hire purchase agreement with VWFS. Mrs W subsequently asked VWFS for several quotations to settle her agreement with them but she complained to VWFS saying they were inaccurate. VWFS accepted that they had failed to include a rebate of any interest because the agreement had been loaded incorrectly to their system. They offered Mrs W a total of £700 to compensate her for any distress and inconvenience caused. They said that if Mrs W wished to continue with the agreement, they could reload it to ensure future settlement figures were calculated correctly, but if she wished to settle the agreement they would provide a manually calculated quotation.

When Mrs W referred her complaint to this service our investigator thought VWFS's offer was reasonable, but Mrs W disagreed and her complaint has, therefore, been referred to me, an ombudsman, to make a 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.

I know it will disappoint Mrs W, but I agree with our investigator's view of 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.

Mrs W acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

It's not disputed that VWFS made mistakes here. The settlement quotes provided did not include interest rebates but should have.

VWFS have now offered to either manually calculate the settlement or to reload the agreement so automatic settlement calculations generated in the future will be accurate. I think that resolves the ongoing situation.

But Mrs W has experienced some distress and inconvenience as a result of this issue. She has, for instance, had to challenge VWFS's calculations over a prolonged period and it must have been very frustrating for such an obvious error to have persisted. Mrs W has explained the mental and financial toll the mistakes have had on her. On the other hand, I can't say VWFS were wrong to only keep quotations open for 30 days as payments would affect their validity. Overall, I think £700 does fairly compensate Mrs W for the distress and inconvenience caused and I'm not, therefore, asking VWFS to take any further 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 Mrs W to accept or reject my decision before 26 September 2025.

Phillip McMahon
Ombudsman