

## **The complaint**

Mr S complains the car he acquired financed through a hire purchase agreement with Volkswagen Financial Services (UK) Limited ("VWFS") was mis-sold to him.

## **What happened**

In July 2024 Mr S acquired a new car financed through a hire purchase agreement with VWFS. A few days after purchase Mr S experienced issues related to the infotainment system in the car. The problems centre around the inability of his phone to reliably connect to the system, meaning the satellite navigation (SatNav), the voice command and the handsfree telephone operations are intermittent. Mr S said they either don't work at all or only work partially, the result being that all forms of communication are blocked. He said he reported the problem to the dealership over the course of a few months and tried to get it to resolve the problem. He said the dealership was either unable or unwilling to solve the problem so he asked to reject the car.

Mr S said his smartphone has been and remains fully operational and has had no issues with being used in other cars or connecting to other infotainment systems. He said during the process of buying the vehicle the dealership authenticated his smartphone model (with up to date software) as being fully compliant with the requirements of the car. He said the phone had also been checked by an independent mobile shop and declared fit for purpose for its intended use in conjunction with an appropriate functioning cars infotainment system. Mr S said the "pairing" of his smartphone and the cars infotainment system was carried out by the dealership and it was working when he first drove the car away from the forecourt, but afterwards there was either no connection or the connection was incomplete.

In its final response VWFS said while it didn't dispute the fact Mr S was experiencing difficulty connecting his phone there were no manufacturing defects found so did not uphold his complaint. Mr S wasn't satisfied and brought his complaint to this service. He said he'd been mis-sold the car. He said the authentication of his smartphone by the dealership was an important factor in his consideration for purchasing the car because as far as he understood the infotainment system controlled numerous functions and he said he made it clear the safety features of the vehicle were very important in his decision. Mr S believes the dealership mis-sold the car as it told him the infotainment would work with his phone but it didn't. He said this particular garage is now closed and he believes the dealer knew this at the time and were trying to get a sale through.

Our investigator concluded that there wasn't a fault with the vehicle. She also concluded the vehicle hadn't been mis-sold. She noted that VWFS offered to install a SatNav system that doesn't require the mobile phone connection as a gesture of goodwill. Mr S did not agree and asked for a decision from an ombudsman. He made some additional comments to which I have responded below as appropriate.

## **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 realise this will come as a disappointment to Mr S but having done so I won't be asking VWFS to do anything further for the reasons I've outlined below.

First, I've seen that Mr S has made numerous points in support of his complaint. I know that I've summarised it in far less detail and in my own words. I'm not going to respond to every single point made by Mr S. No discourtesy is meant by this. Instead, I've focussed on what I think is the crux of the complaint. Our rules allow me to do this. This simply reflects the informal nature of our service. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr S's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

In his response to our investigator's view Mr S said his complaint is that he was "mis-sold an unworkable Infotainment System." But in his previous submissions both to the dealer and to this service he also claims there is a systemic problem with the car's SatNav and that it is malfunctioning. So because of the nature of the problem – connectivity between Mr S's phone and the car dashboard system - I must first consider if the car was of satisfactory quality when it was supplied and then look at whether it was mis-sold.

#### *Satisfactory Quality*

VWFS, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr S. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was new and had a price of £27,405. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. As Mr S's car was new at the point of delivery I would expect it to be free of even minor faults for a reasonable period of time.

Mr S took the car to the supplying dealership and an alternative VW dealer while the complaint was in progress. I recognise that Mr S wasn't satisfied with the quality of the inspection carried out but neither garage were able to identify any faults with the vehicle itself. Mr S had the system inspected by a third party garage which provided a statement. It said:

*"We have had this... (vehicle) with a concern that the android auto would freeze when using google maps the voice would stop working when using the app. We carried out a full function test with... car play and all worked ok. When using ...maps I noticed when there was no phone signal or data for the ...maps it would freeze. This is normal as ...maps uses the phone data.*

*In conclusion we could not fault concern.*

*However, the customer was advised that the car does have an option for onboard VW SatNav software that can be loaded but requires activation at a cost of £475. I*

*would recommend that the customer has this activated as he has stated he would be happier with this function instead of android auto/car play with which he has reported having experienced some problems. We have also informed the customer that in addition to poor local signal strength, connectivity issues between a new car and an older handset could be as the result of software and possibly hardware incompatibility.”*

While it appears the garage did find connectivity issues related to maps it wasn't able to conclude the fault lay with the vehicle. I haven't seen any technical evidence of a fault with the infotainment system. Mr S says he is aware that this problem with connectivity is well known in the industry for this make of car. I'm not disputing Mr S's testimony but if that were the case here I would need to see the technical evidence to support that, and I haven't. So I'm not persuaded there is a fault with the vehicle itself and therefore I believe the car was of satisfactory quality when it was supplied.

### *Mis-sale*

A misrepresentation is when a false statement of fact has been made; and this false statement induces a customer to buy the goods. Any misrepresentation in these circumstances would have been made by the dealer and not VWFS, but because VWFS provided the credit it is also liable for any misrepresentation made by the dealer.

Mr S has said that the make and model of his mobile phone was authenticated at the point of sale as being fully compatible with the requirements of the car he was buying. I'm not disputing Mr S's testimony but there are no records available, including any contemporaneous notes, sales brochures or witness statements which confirm what Mr S was told about phone compatibility.

Mr S has also said he since obtained a copy of the specifications for compatible handsets which identified his specific handset as being fully compliant. He noted that newer car models would have had hardware/software updates that would have outpaced the earlier hand set model which VW were still specifying as being adequate. I've seen a copy of his submission. Mr S said the dealership wouldn't provide the specification directly so he obtained it from an online AI-powered assistant. I appreciate the effort Mr S went into to provide this but I'm not able to verify this information.

Mr S said the pairing of his smartphone to the car's infotainment system was carried out by the dealership and it was working when he first drove the car away from the forecourt. He said shortly afterwards there was either no connection or the connection was incomplete, or it worked intermittently.

Where the evidence is incomplete, inconclusive or contradictory I reach my decision on the balance of probabilities - in other words what I consider is most likely to be the case considering the available evidence and the wider circumstances.

I don't know what was said at the dealership but it's clear the phone did show some compatibility with the car on the forecourt and shortly after, albeit intermittently. So on the balance of probability I'm not persuaded a false statement was made.

Even if I was persuaded a false statement was made I would also need to be satisfied that this statement induced Mr S to enter the finance agreement.

Mr S told this service the authentication of his smart phone the dealership was an important factor in his considerations for purchasing the car. He said he had made it clear the safety features of the vehicle were very important in his decision making. He said the car was being

sold with this combined system as being an advancement from the system of separate units of onboard SatNav and infotainment unit that did not require a smartphone to enable the whole system to operate.

It's clear from Mr S's testimony that this feature was important to him when he was buying the car. But we are an evidenced based service and I've not seen any evidence that this was the deciding factor in his purchasing this specific car. I've seen a copy of the retailer's invoice which identifies several additional packs Mr S purchased when ordering the car which indicates to me there were other features that played a part in the decision. Mr S said it would have been a dealbreaker had he been given the correct information as it would have added several hundred pounds for him to purchase the latest handset. Mr S ordered a new car in excess of £27,400. He added on factory options including carpet mats and a smartphone wireless charger to a total of £375. He also added various retailer option insurance packages (including for alloy wheels, cosmetic repair, paintwork protection, tyres) plus a service plan to a total of over £1,300. So while I understand phone compatibility was important I've not seen evidence it was more important than the features of the car which came as standard or the additional features and packs Mr S added to the order which cost extra money.

I'm sympathetic to the fact this is not the news Mr S would like but I'm satisfied VWFS hasn't done anything wrong so I won't be asking it to do anything further.

VWFS has said although no manufacturing defects have been confirmed is sympathetic to the problem Mr S is having with the connection. It has made a good will gesture to Mr S. In response to our investigator's view it said:

*"If the customer can arrange in their own time to obtain a quote of how much it would cost to fit the SatNav required and forward that quote on to us, we would be open to contributing towards the final cost. If and when that cost is approved, the funds will be sent to the customer in good faith for them to cover the cost. We would usually direct the customer to an approved dealership to obtain a quote."*

As I'm not persuaded VWFS has done anything wrong I can't direct it to make good on it's offer above. But VWFS may still be open to helping Mr S. If he is interested in the above offer he should make contact with VWFS to see if the offer is still open.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 October 2025.

Maxine Sutton  
**Ombudsman**