

The complaint

Miss M complains that Volkswagen Financial Services (UK) Limited trading as Skoda Financial Services terminated her agreement without warning.

What happened

In November 2002 Miss M was supplied with a car and entered into a finance agreement with Skoda Financial Services (SFS). The agreement was for 61 months and was due to end in November 2027.

On 6 September 2024 SFS sent a Notice of Sums in Arrears (NOSIA) to Miss M advising her that there were arrears of £1082 under the agreement. A further letter was sent to Miss M on 2 October 2024 asking her to bring the account up to date within 7 days.

On 6 November 2024 SFS issued a Default Notice which stated that the arrears must be paid by 25 November 2024 otherwise the agreement may be terminated.

SFS tried to contact Miss M by phone and text in February and March 2025 but received no reply. A further NOSIA was sent to Miss M in February 2025, and the agreement was terminated on 9 April 2025.

Miss M complained to SFS. She said she hadn't been informed that the agreement could be terminated. She asked for the agreement to be reinstated so she could keep the vehicle.

SFS didn't uphold the complaint. It said it had made Miss M aware of the arrears and that it had made reasonable efforts to contact her before terminating the agreement. SFS said that once an agreement had been terminated it was unable to reinstate it.

Miss M remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said SFS has sent correspondence about the arrears to Miss M and had made reasonable attempts to contact her before terminating the agreement. The investigator said that SFS had acted fairly and reasonably.

Miss M didn't agree. She said she understood that it was her responsibility to ensure that payments were up to date but said she'd been impacted by medical issues. She also said she hadn't received any correspondence from SFS and although she'd received automated telephone messages these didn't mention that the agreement could be terminated.

Because Miss M didn't agree, I've been asked to review the complaint.

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 Miss M but I agree with the investigator's opinion. I'll explain why.

I've reviewed the account. I can see that by August 2024 the account had fallen into arrears.

I've reviewed the correspondence that SFS sent to Miss M. An initial letter about arrears was sent on 12 August 2024 followed by a NOSIA on 6 September 2024 and Notice of Default on 6 November 2024. A further NOSIA was sent on 21 February 2025, and a Termination Letter was sent on 9 April 2025.

Miss M has said that she didn't receive any correspondence from SFS. I've reviewed the letters and regulatory notices. These were sent to Miss M at her registered address. Based on what I've seen the letters and notices were correctly addressed. I'm satisfied that they were sent. I can't say why Miss M didn't receive any of them but I haven't found any evidence that there was an error by SFS.

I can see that SFS made telephone calls to Miss M on 17 February 2025, 27 February 2025, 6 March 2025 and 14 March 2025. Text messages were sent on 23 July 2024 and 5 March 2025. Emails were sent on 19 July 2024 and 3 March 2025.

Looking at the letters, calls, texts and emails, I'm satisfied that SFS made adequate efforts to contact Miss M before terminating the agreement.

I'm sorry to hear that Miss M has been unwell. However, for the reasons I've explained above, I can't say that SFS has made an error or treated Miss M unfairly. SFS made reasonable attempts to contact Miss M before it terminated the agreement.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 23 October 2025.

Emma Davy
Ombudsman