

## The complaint

Mr H complains about the administration of a conditional sale agreement he had with Volvo Car Financial Services UK Limited ('Volvo'). Mr H says that Volvo didn't provide full information when he started the finance about how he could surrender it early. And when he tried to surrender it early its customer service was poor. He says that Volvo acted unprofessionally when he complained. And he says that the situation has caused him anxiety and stress.

## What happened

Mr H acquired the car using a conditional sale agreement that was started in October 2024. The vehicle had a retail price of £24,999. Mr H paid a £14,999 deposit meaning £10,000 was financed. This agreement was to be repaid through 60 monthly instalments of £223.43. If Mr H made repayments in line with the credit agreement, he would need to repay a total of £28,404.80.

Mr H requested early settlement information in November 2024, and his complaint is about what happened when he did this. Mr H complained to Volvo at this time saying that:

- The information he was provided at the time of sale didn't reference the early settlement regulations and so he couldn't have made an informed choice to take the finance.
- Volvo failed to provide a breakdown of how the early settlement was calculated. He has been provided unclear information by the business in respect of his agreement.
- He was told one month's interest would be applied but this is inconsistent with the amount quoted.
- Volvo's call handlers have been unprofessional, and calls have been terminated.

Volvo considered this complaint, and it didn't uphold it. It thought it had provided correct information about the plan including the withdrawal and early surrender terms. And it didn't think its staff had acted unreasonably when it terminated calls with Mr H. Mr H didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigators haven't upheld Mr H's complaint. They've said, in two communications, that overall Volvo hadn't provided unreasonable information to Mr H. The agreement informed him where more detailed information about settlements was available, and he was provided with settlement figures when asked. And these looked to have been calculated correctly. He was also informed that a third party lending business was involved. Finally, our Investigators didn't think that Volvo had acted unreasonably when calls were terminated.

After the first opinion Mr H elaborated on one of his points of complaint that concerned the warranty, and servicing, he had agreed to. Specifically, he said he had been induced to start the finance by the offer of a free warranty and two years free servicing. Our Investigator thought that it wasn't unreasonable for the warranty and servicing to have been conditional on Mr H starting the finance. And the delay in providing any paperwork about the warranty didn't mean that he couldn't have cancelled the finance, if that is what he wanted to do.

Mr H didn't agree with the Investigator and the complaint has been passed to me, an Ombudsman, to issue a decision about it.

### **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 need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

Mr H has raised a significant number of concerns over several correspondences. I have noted all of these but I'm not going to detail all of them here. This isn't because I've not considered these points or information, but I don't need to reference all the circumstances and correspondence about the complaint to make my decision about whether Volvo acted correctly. It also reflects the informal nature of this service.

Mr H has complained that he wasn't told that a third party lender was involved in the finance agreement. Our Investigator has reproduced the areas of the agreement, and point of sale documentation, where this information was provided to Mr H. Given this, I think it's reasonable to say that Mr H was given information at the time the agreement was arranged that informed him about this.

Mr H has complained that the loan agreement didn't contain full information about the early settlement terms. Businesses have a legal requirement to calculate and provide surrender amounts a certain way. The information contained in the relevant legislation can be detailed and complex, so it isn't usually part of the individual credit agreement itself.

The agreement did though inform Mr H, in general terms, about early termination and it signposted him to where he can find further information. So, I think the agreement contained enough information to have allowed Mr H to make an informed decision about this aspect of the lending.

Mr H was provided with an early settlement figure in November 2024, and he received a breakdown of how the settlement figure was calculated a short time afterwards. He says this information was opaque and didn't provide enough information. The early settlement quote informed Mr H about the outstanding balance on the finance, what the settlement rebate would be and gave him the settlement figure. This is the information that Volvo should have provided to Mr H. And I think it did give him enough to decide whether he should settle the contract early.

Part of the dispute is that Mr H thought that the wrong interest was added to the early settlement agreement, that is 58 days of interest. But this isn't outside of the regulations and laws that surround this agreement. And I haven't seen that this calculation has been performed incorrectly another way. As far as I can see, the calculation is correct and full information about it was provided to Mr H.

Mr H has said that he was induced to take the finance by the offer of a free warranty. And he was told that he could cancel the finance within 14 days. I'm assuming he intended to cancel the finance very early on and still benefit from the warranty and servicing at no cost. Mr H said he didn't receive the warranty information within 14 days and so he didn't cancel the finance. He thinks the information he received about the warranty and the finance was misleading because of this.

I understand that Volvo wasn't a party to some of the sales negotiations, and it may not have been aware of what was discussed between Mr H and the dealer. But it can still be responsible for what was discussed and the information that Mr H was provided by a broker and car dealer. This is because section 56 of the Consumer Credit Act 1974 establishes that a finance company can be held responsible for antecedent negotiations carried out by their agent that take place before the agreement is entered into.

It is relatively common for a dealership or finance company to offer these kinds of incentives. It isn't wrong to do this. In this case the offer of a warranty and servicing at no cost to Mr H was dependent on him taking the finance. This was clear in the documentation I've seen. I don't think this is misleading. And I think Mr H had enough information to decide if he wanted to proceed with this arrangement. He didn't have to take the finance, and the warranty and servicing offer, if he didn't want to do this.

It's not clear to me how not receiving the warranty information within 14 days changes this. I haven't seen that there was an option for him to not have the finance and still benefit from the free warranty and servicing. And I can't see that Mr H was informed that he would be able to cancel the finance and keep the free warranty and servicing. When he asked Volvo about this he was told he needed to contact the dealership which was correct, as the arrangement for the warranty was with them. So, I've not seen that Mr H was misled about this.

Mr H says he was told that he would only have to pay a month's interest if he surrendered the finance early. But I can't see that Mr H was told this by Volvo, and I don't have any information about what he was told by the dealership. But this is correct if he cancelled the agreement within fourteen days so there may have just been some confusion here. But I don't think there is enough to say Mr H was misled about this.

Mr H has complained that some of the telephone calls between him and the Volvo representatives were unproductive, and he says that the business was rude to him. I have listened to the calls provided and I can hear that agreement wasn't reached about the early settlement and the complaint itself. I agree the calls became unproductive and I think it's fair to say these were, at times, frank exchanges. Some of the calls were terminated because of this by Volvo.

That said I don't think I can say that Volvo was acting incorrectly when it terminated these calls. I think this was a reasonable way to end a situation that had become problematic for both parties.

Overall, having considered everything, I'm not upholding Mr H's complaint. I sure this will not be the answer he was hoping for, but I hope it doesn't cause any further distress to him.

### **My final decision**

For the reasons set out above, I don't uphold Mr H's complaint.

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

Andy Burlinson  
**Ombudsman**