DRN-5852847

The complaint

Mr B complained about the end of contract process for a car supplied on finance by Volvo Car UK Limited ("Volvo").

What happened

The circumstances of the complaint are well known to the parties, so I won't go over everything again in detail. But, to summarise, Volvo supplied Mr B with a new car on a hire agreement in January 2024. No advance payment was required, and the monthly rentals were around £770. The contract set out that the minimum term was three months and the maximum term was five years. Termination of the hire period was subject to three months' notice.

Mr B said he asked to end the contract in August 2024. Initially he asked to drop the car to a retailer but that wasn't possible. Arrangements were made to collect the car on 24 October 2024, but Mr B said the agent refused because it had a layer of ice on it, and he said it needed to be clean.

Mr B complained to Volvo. Volvo disputed that the collection had been aborted in error. It said that the car's condition wasn't suitable for inspection and collection due to being excessively dirty. It issued a final response on this basis.

A further collection date was arranged in November 2024, but the agent went to the wrong location. The car was finally collected on 20 November 2024.

Mr B referred his complaint to the Financial Ombudsman. He said that he was unhappy with the aborted collections, that he'd been asked to pay £1,450 in additional rentals and damage charges, and adverse information had been reported to the credit reference agencies. He said that the marker could affect a loan he had, which required him not to have any adverse credit markers, and to have good upstanding.

Mr B said that Volvo didn't agree it should have collected the car. He said that it didn't have adequate procedures in place for complaints. Volvo had no right to charge him, and it caused him so much time and stress to keep arranging for the car to get picked up. He said he thought it was a deliberate tactic to keep people paying for cars. He added that he'd also made a complaint about a fault with the car.

Our investigator considered the complaint. He thought it was likely the first collection was aborted because the car wasn't sufficiently clean but thought that Volvo had treated Mr B unfairly when it aborted a second collection and this had caused inconvenience. He recommended that the additional rentals after 24 October 2024 should be waived. In addition, he considered the damage charge but thought it had been fairly applied in line with the British Vehicle Rental and Leasing association (BVRLA) guidance. He said that there wasn't any evidence that adverse information had been reported but recommended that Volvo pay £100 in compensation.

Volvo initially disagreed. It said that it hadn't had an opportunity to consider all of the complaint points and had only looked into a complaint about the first aborted collection. Our investigator thought that its time to consider the complaint had passed and it eventually agreed to settle the complaint.

Mr B disagreed. He said that he didn't think £100 was enough compensation considering the time it had taken and the unethical way Volvo acted. He said that £100 compared to his hourly rate was insignificant and it made the offer insulting. He thought that £1,000 would be more reasonable. He also expressed concerns about Volvo's conduct and general handling of the complaint as it wasn't putting the customer's best interests at the centre of what it did. He said that he didn't agree that it was fair that the first collection was aborted and had video evidence to prove it.

Mr W asked for the complaint to be decided by an ombudsman, he wanted a decision published to highlight what had happened, so the complaint has been passed to me.

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.

When considering what is, in my opinion, fair and reasonable, I must take into account relevant law and regulations; regulator's rules including the Consumer Duty, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and wider circumstances.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it.

Mr B has at times referred to emails and conversations with a third-party retailer requesting to end the agreement. Volvo is not responsible for the actions of the retailer in this instance, so I've not been able to consider that further. He's also unhappy that the car had a fault. He's supplied evidence that he contacted the third-party retailer about this. But I can't see that he's made the complaint to Volvo. I'm not dealing with that in this decision, so if he remains unhappy about the quality of the car, he'll need to contact Volvo about that separately.

I appreciate that Mr B is unhappy with Volvo's conduct. But I also need to make clear that this Service is not the industry regulator. That's the Financial Conduct Authority (FCA). We don't fine and punish businesses, nor do we award punitive damages. Our role is to assess whether a business has acted fairly and reasonably and, if not, whether it's taken fair steps to put things right. But Mr B can report his concerns to the FCA, although it won't look into his individual complaint.

The first aborted collection is still in dispute and Mr B maintains that the car should have been collected at that point, so any additional charges he's been asked to pay are unfair. I can see that Volvo made it clear that the notice period he needed to end the agreement meant that he would be liable to pay for rentals until 24 October 2024.

I've considered the lack of evidence about the first collection, and I have had to make a finding on the balance of probabilities, or what I think is most likely to have happened based on the evidence I have. Volvo have referred to its agents' testimony which indicated that the car was covered in tree sap, and the inside of the car was dirty. Mr B on the other hand maintains that the car was just covered in ice. He's said he would supply a video but that hasn't been forthcoming. On balance, I don't think it likely the agent would have aborted the collection unnecessarily, having been at the location to collect the car. So, I think the car was likely not sufficiently clean to be able to be inspected, and the £30 charge for an aborted collection is fair.

I think all parties agree that the subsequent collections were aborted through no fault of Mr B. The notes and emails indicate that the agent attended the wrong location. Our investigator recommended that Volvo remove any rental charges after 24 October 2024, and Volvo have agreed. These charges total around £1,060. As the car wasn't ready to be collected on 24 October 2024, arguably the rental charge until the next collection was fair. But even though he might have been liable for further rentals at this point as the car wasn't ready for collection, I think that removing the rentals altogether is a fair compromise considering all the circumstances. Volvo has agreed to do this. I've taken this into account when I've also considered compensation which I'll discuss later.

Mr B hasn't disputed our investigator's assessment of the damage charge. But for completeness, I've considered the terms of the contract and relevant industry standards from the British Vehicle Rental and Leasing association (BVRLA). Volvo set out in the terms of the agreement that there is an expectation that the car will be returned in a good condition, and that damage beyond fair wear and tear will be chargeable in line with the BVRLA guidance. When Mr B entered into the hire agreement, he accepted these terms and conditions.

The BVRLA guidance states "*Fair wear and tear occurs should not be confused with damage, which occurs as a result of a specific event, such as an impact*" it goes on to say "*surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable providing they can be polished out. A Maximum of four surface scratches on one panel is acceptable*". The images clearly show that the bumper is scuffed through to bare metal, in excess of the size of the ruler. So, I agree with our investigator's assessment that the damage shown to the bumper is chargeable because it appears to be in excess of the fair wear and tear standard, and more likely caused due to an impact. The charge itself doesn't appear to be excessive due to the type of repair needed.

Mr B also hasn't specifically mentioned the charges for excess mileage in his complaint to our service, although Volvo has shown me that it was included in its invoice. The terms of the agreement set out the maximum annual mileage of 6,000 miles, and that Volvo would pass on additional charges on a pro-rata basis. Mr B didn't have the car for a whole year. Volvo has calculated the rolling mileage allowance based on the time he actually had the car, which means he hasn't been charged excess mileage as a result of the disputed aborted collections. The collection report showed that the mileage completed was 6,507. This was more than the annual allowance, so it seems fair that it could pass on those charges.

Mr B is unhappy that information was reported to the credit reference agencies. But Volvo confirmed that no information has been reported, and Mr B hasn't provided any evidence to

show that it was. There's a lack of evidence of any impact on Mr B's credit file so I'm not making any award for that.

Finally with regard to the compensation. I can appreciate that Mr B has been inconvenienced by having to rearrange collections. I think the matter could have been handled more smoothly and Mr B has made more than a reasonable effort to sort things out. Volvo could also have been clearer in its response to his complaint. Mr B has mentioned his hourly rate in comparison. When considering time taken to sort out a mistake we don't usually consider the complainant's hourly rate. But I've considered the overall impact the aborted collections had on Mr B. I've also taken into account some rental charges which were fairly chargeable due to the first aborted collection will be removed. So, I think the compensation recommended by our investigator, together with the other steps I've set out below, to be a fair and reasonable way to resolve this complaint. I'm not going to direct Volvo to do more.

Mr B doesn't need to accept my decision if he thinks he can achieve a better outcome. He'll then be free to pursue the matter through the court.

My final decision

My final decision is that I uphold this complaint and direct Volvo Car UK Limited to do the following:

- Waive any rentals charged after 24 October 2024
- Pay £100 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 October 2025.

Caroline Kirby
Ombudsman