

The complaint

Mr O is unhappy with how Volvo Car UK Limited dealt with the collection of a car they'd supplied to him under a hire agreement.

What happened

In January 2022, Mr O was supplied with a new car through a hire agreement with Volvo. The agreement was for 36 months with monthly rental payments of £504. Part of the terms and conditions Mr O agreed to when he hired the car was *"you are responsible for ensuring that all mandatory inspections (i.e. MOT tests) take place when due as required by applicable law."* The car was first registered on 30 December 2021, so the first MOT test was required by 29 December 2024.

Volvo contacted Mr O on 27 November 2024 to discuss the return of the car. During this call, they advised Mr O of the requirement to MOT the car, and that they couldn't take the car back without this being done. However, Volvo also told Mr O that the MOT wasn't due until 7 January 2025. So, Mr O arranged for the car to be collected on 6 January 2025. Volvo acknowledged their error and, in a letter dated 3 January 2025, they confirmed that the MOT had expired on 29 December 2024. They also paid Mr O £100 compensation for the impact of this error.

Because the car didn't have a valid MOT, it couldn't be collected on 6 January 2025. And there was a further failed attempt to collect the car on 22 January 2025, with collection finally taking place on 4 February 2025. On 28 February 2025, Volvo paid Mr O a further £50 compensation. Mr O wasn't happy with what'd happened, and he brought his complaint to the Financial Ombudsman Service for investigation.

Our investigator said that, while Volvo had made an error when they initially advised Mr O of the date the MOT test was due, this didn't alter the fact that Mr O had an obligation under the agreement to ensure the MOT was completed. And the investigator thought the £150 Volvo had paid Mr O was sufficient for the service failings, and Volvo didn't need to do anything more.

Mr O didn't agree with the investigator's opinion. He said that, as he'd been supplied with a brand-new car on a three-year hire agreement, and as new cars don't need an MOT within the first three years, it was reasonable for him to conclude that the requirement to MOT the car didn't apply in this instance.

Mr O also said that, when Volvo made him aware of the MOT requirement, he arranged for the car to be collected the day before they told him that the MOT fell due. And he didn't think it was reasonable for Volvo to *"suddenly reimpose the obligation [to have the car MOT'd] without my agreement"* – Volvo didn't advise him of their error until after the MOT had expired. Mr O also said that, once the contract had expired, he was unable to drive the car, regardless of whether it had an MOT or not. So, he didn't think he'd been treated fairly.

Because Mr O didn't agree, this matter has been passed to me to decide.

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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr O was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

I've seen a copy of the correspondence between Volvo and Mr O. An initial discussion took place on 27 November 2024, when Mr O was advised of the requirement to MOT the car. It's not disputed that, on this call, Volvo advised Mr O the MOT fell due on 7 January 2025, which is why he arranged collection for 6 January 2025.

In his comments on the investigator's opinion, Mr O has said it was reasonable for him to conclude that he didn't have to MOT the car as it was brand-new - new cars don't require an MOT for the first three years, and the agreement was only for three years. While an MOT is not required for the first three years, this period runs from when the car was first registered, and not from when it was supplied. As registration would always need to be done before a car was supplied, so the car held a valid number plate and was registered with the DVLA, it would always be the case that, on a three-year agreement for a brand-new car, the MOT would always fall due before the agreement ended.

As I've said above, the agreement Mr O signed was clear that he was obliged to MOT the car when an MOT fell due. And, while he's referred to Volvo releasing him from this obligation, Volvo cannot do this – the MOT is a legal requirement and cannot be waived. As such, I don't agree with Mr O that Volvo suddenly reinstated an obligation without his authority – the obligation was always there, and his authority is not required when it comes to legal requirements such as an MOT.

As the driver of the car, it's also Mr O's responsibility to ensure the car was road legal when he drove it. He was aware of the requirement to MOT the car by no later than 27 November 2024 and, while he clearly didn't agree with this, he was able to check the MOT due date himself through the gov.uk website.

When Volvo emailed Mr O on 23 December 2024, they provided information about what would need to be done for collection. However, this didn't state that an MOT was required before collection. Volvo didn't make this clear to Mr O until an email dated 1 January 2025, which said *"regarding the collection, your car does require an MOT before we can schedule this."* Furthermore, on 3 January 2025, Volvo again told Mr O this, saying *"you were told that the MOT was due to expire on 6 January 2025; however this information was incorrect. The MOT for your vehicle expired on 29 December 2024."*

So, while Volvo had given Mr O the incorrect date when the MOT was due, I'm satisfied he was aware by no later than 1 January 2025 that he needed to MOT the car before it could be collected, and aware on 3 January 2025 on what date the MOT had expired. While accepting that having to arrange an MOT at such short notice would've been both frustrating and

inconvenient for Mr O, this could've been done while the car was still insured and within the term of the hire agreement, which would've allowed for the collection to take place on 6 January 2025. However, as Mr O didn't arrange for an MOT, as required both legally and under the terms of the agreement, collection didn't take place. And I'm satisfied it was reasonable for Volvo to charge Mr O £30 for this failed collection.

Volvo paid Mr O £100 compensation for what had happened – misadvising him of the date the MOT expired, which therefore gave him a shorter period of time to arrange for an MOT, which would no doubt have been stressful, frustrating, and inconvenient. The compensation paid by Volvo is in line with what I would've directed had no offer been made, so I won't be asking Volvo to increase this.

I've seen that Volvo corresponded with Mr O about the collection and the requirement for an MOT on 7 January, 8 January, 9 January, and 16 January 2025. In the last of these emails, Volvo explained that, as Mr O wasn't getting an MOT done, it would take a few days to arrange to collect the car. On 20 January 2025, Volvo told Mr O that someone would visit to inspect the car for any damage on 22 January 2025 and, once this inspection had taken place, collection of the car would happen within 24 to 72 hours.

The car was inspected on the morning of 22 January 2025, and collection was attempted later the same day. As this collection was unexpected, and wasn't within the timeframe Volvo had advised, the car wasn't collected. Volvo didn't charge for this failed collection, and the car was eventually collected on 4 February 2025.

Volvo paid Mr O a further £50 compensation, which I'm satisfied compensates him for what happened after the failed collection of 6 January 2025, and the inconvenience this undoubtedly caused. Again, and while I appreciate this will come as a disappointment to Mr O, I also won't be asking Volvo to increase this amount.

My final decision

For the reasons explained, I don't uphold Mr O's complaint about Volvo Car UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 8 December 2025.

Andrew Burford
Ombudsman