

## **The complaint**

Mr M complains that the car he acquired from Volkswagen Financial Services (UK) Limited trading as Audi Financial Services ("VWFS") was mis sold to him.

## **What happened**

Mr M entered into an agreement with VWFS in October 2022 to acquire a used car. It was around two years old when acquired and had an equivalent cash price of around £46,000. He entered into a hire purchase agreement for its supply which included paying a deposit, 36 monthly payments and an optional final balloon payment.

In 2025, he's enquired about the value of the car and been concerned at being quoted £18,000, which is considerably less than the £32,000 he calculated he still owed with monthly payments and the optional final payment.

He's complained to VWFS about this, saying that the deal was misrepresented to him, as he was told by the salesperson at the time that he'd be left with equity in the car to use as a future deposit. He's also said the purchase price was misrepresented to him as he wasn't told VAT would be added to the price. He asked as a resolution to be able to voluntarily terminate the agreement without having to pay the remaining amount to do this.

VWFS investigated his complaint and didn't uphold it. They made a small partial uphold for delays taken in answering it when he originally complained but didn't agree that the agreement had been misrepresented in any way.

Unhappy with this, Mr M brought his complaint to our service. It was investigated, and the investigator didn't uphold it. They said that to uphold a complaint that the agreement was misrepresented to Mr M, they would have to be satisfied that a false statement of fact was made to Mr M, and also that this fact induced him to enter into the agreement.

They explained that they weren't persuaded the conversation about equity in the car happened, as there was conflicting verbal testimony from each party regarding what was discussed, and nothing in the paperwork backs up this conversation. They also weren't persuaded that any conversation or confusion about VAT being included in the price would have materially affected Mr M's decision to buy the car, as the total price of the car was correct.

Mr M didn't agree with this and said that he wanted an Ombudsman to make a final decision. He says he knows the salesperson verbally told him there would be equity in the car, and he wouldn't have spent £30,000 on a car just to give it back at the end. He also felt the VAT was sneakily added on without being made clear to him, he felt the car value was the full price, not the value plus the VAT.

## **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 M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

I have very little to add to the answer Mr M was provided by the Investigator here, which was entirely correct. Firstly, Mr M has tried to bring into this complaint whilst it's been at our service issues with commission and also issues about the mileage the car can cover and the charging station network. As the investigator told him, he didn't complain about these things to VWFS when he raised this complaint, so I won't be considering them here as part of this complaint review.

There are two key parts to this complaint. The first is that he feels the salesperson misrepresented to him the future equity he would have in the car down the line. As Mr M has been told, he has one recollection of the conversation, and the salesperson has a different recollection. In situations like this, with conflicting evidence, we will always look to see whether either side can be corroborated by other evidence. I've seen no evidence to corroborate Mr M's recollection of the sales process. When I look at the paperwork he's been provided, I think it's all pretty clear, and there is no mention of equity in the car. It backs up what VWFS have said was discussed and happened.

I've also thought about the likelihood of this conversation happening, and I think it's very unlikely. If Mr M had any knowledge or experience of the car buying process, or did even the most basic research, he would know that there is no guarantee of future value when acquiring a car. As such, I can't imagine a salesperson would try to persuade someone of this, knowing how easy it would be to disprove and fracture any trust the consumer had in them. Mr M has talked in his testimony about being chased to sign paperwork, so it seems unlikely he was told this and immediately signed the paperwork. And if there was a gap, he had time to check this out and quickly realise it wouldn't be something anyone could be sure about.

I'm not persuaded this conversation happened, therefore I don't need to move on and consider whether it induced Mr M to enter the agreement.

The second issue Mr M has raised is the VAT on the sale price not being mentioned or explicit on the agreement. I don't think I really understand what Mr M's issue is here. The full price including VAT was quoted to him, and listed on the agreement, and he hasn't really explained why the VAT would make such a difference to him.

All cars sold are subject to VAT, just like most goods and services in this country. If he went into a shop to buy an item of furniture, the price quoted would include VAT, and the price sticker on the item wouldn't break the price down necessarily.

Mr M has said that this tax being added on was "sneaky" and not discussed in any way with him. But he's also provided a vehicle order and agreement form, which breaks down the basic price of the car and shows the VAT, so I'm unclear what his argument is.

Fundamentally, the VAT impacts on the overall price, but he's been quoted at all points the total price including the VAT, so no misrepresentation of the cost of the car has occurred. On this basis, I can't agree that a lack of knowledge about VAT being included in the price would mean he wouldn't have entered into the agreement. His costs would remain the same and have been covered in the quotes provided and the agreement. So even if he hadn't been told that the total cost being quoted included VAT, I'm not persuaded that this information would have meant he didn't enter the agreement.

The important thing here is that VAT has not been "added" to the price he was quoted. It was already included in that price, which he chose to accept, so I can't agree anything was misrepresented here. He's also provided paperwork, which he would have been provided at the point of sale, which breaks down the price and the VAT included. So, I don't agree anything was misrepresented or hidden from him.

I'm not persuaded that anything has been misrepresented to Mr M here, and have seen no evidence of a mis sale, so I won't be asking VWFS to do anything more.

### **My final decision**

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 January 2026.

Paul Cronin  
**Ombudsman**