

The complaint

Mr M complains that the car he acquired through Volkswagen Financial Services (UK) Limited, trading as Audi Financial Services (“VFS”) was mis-sold to him. He wants to be refunded and compensated for his losses.

What happened

Mr M entered into a hire purchase agreement in June 2022 to acquire a used car. The cash price of the car was £38,999, and with an advance payment of £4,263.98, the credit provided to Mr M was £34,735.02. The credit agreement was set up over a term of 48 months, and Mr M’s monthly payments were set at £532.66. If the agreement ran to term, and Mr M paid the optional final payment, then the total repayable under the agreement would be £47,226.66. At the time of acquisition, the car was around 14 months old and had been driven just over 5,600 miles.

Mr M told us:

- He purchased a car on 15 June 2022, but when he came to sell the car he discovered a mileage discrepancy on the *National Mileage Register* (“NMR”) that had not been disclosed at the time the car was supplied;
- this discrepancy resulted in a confirmed buyer withdrawing from an offer for the car valued at £26,985;
- he was forced to accept a reduced trade value of £26,000 so that he could secure a new car purchase, resulting in a shortfall of £985;
- he’s now seen that the car has been listed for re-sale at a value of £31,446 by the dealership that acquired the car from him. This shows the mileage discrepancy was never valid because the car is being sold for full-market value;
- he’s incurred additional costs including £80 DVLA fee for private plate removal, and some administrative fees for his car insurance;
- the whole matter caused him ongoing stress, uncertainty and disrupted his planning;
- VFS failed to respond to his complaint within the FCA’s 8-week timeframe;
- he wants £1,500 compensation to reflect his losses and the poor handling of his complaint.

VFS rejected this complaint and said there was no evidence that the car had been mis-sold to Mr M. It said any discrepancies were attributable to the NMR, something over which it had no control, and it confirmed that the NMR records had been subsequently updated.

VFS said it had contacted the supplying dealership which had provided a verified record of the car’s mileage history, so it could not substantiate Mr M’s concerns regarding the accuracy of the mileage at the point of sale. VFS confirmed that any issues experienced by Mr M were not a result of actions by VFS or the supplying dealership; they could only be attributable to NMR, over which it had no control.

Unhappy with VFS’s response, Mr M brought his complaint to this Service. He said that only internal dealership mileage records were checked and that no HPI or NMR checks were carried out, which is contrary to the *Approved Used Car Promise*. Mr M says this failure

resulted in him buying a car with a live NMR mileage discrepancy which was not disclosed at the point of sale. And this discrepancy caused a potential buyer to withdraw when he came to sell the car some time later.

Our Investigator looked at this complaint and said she didn't think it should be upheld. She said she was satisfied that the mileage history provided by the supplying dealership was correct, and the discrepancy existed with the NMR – which she couldn't hold VFS responsible for.

Our Investigator said that there was an HPI check undertaken in June 2022, which together with the NRM certificate at this time did not identify any mileage discrepancy. Accordingly she could not conclude that the car was mis-sold, or that information was withheld from Mr M at the point the car was supplied to him. There was simply nothing highlighted on any pre-sale checks that warranted disclosure or that should've directed the supplying dealership to undertake further or different checks.

Our Investigator explained to Mr M that his complaint about the trade-in value he'd been given for the car, and his complaint about the difference between this and the dealership's sales price were not matters that this Service could investigate. But she did signpost him to another independent advisory and conciliation service that might be able to consider his complaints about the acquiring dealership.

Mr M disagrees so the complaint comes to me to decide. He says he continues to believe *“that the vehicle was sold with a pre-existing NMR discrepancy, which should have been identified by a proper independent mileage check prior to delivery”*.

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 considered all the evidence and testimony afresh, I've reached the same conclusion as our Investigator and for broadly the same reasons. I'll explain why.

I hope that Mr M won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mr M should note, however, that although I may not address each individual point that he's raised, I have given careful consideration to all of his submissions before arriving at my final decision.

The hire purchase agreement entered into by Mr M is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it.

Firstly, I must explain to Mr M that complaint handling by a business isn't a regulated activity and as such, the issues he's raised that relate directly to how VFS investigated his complaint and his dis-satisfaction with it not responding to his complaint within eight weeks don't come under my powers to consider.

Next, Mr M complains about the fact that the dealership only paid him £26,000 for the car when he traded it in, but then shortly afterwards it listed the car for resale at £31,446. But as our Investigator already explained, these activities were not ancillary to the act of credit broking. Mr M needs to raise a complaint about this directly with the dealership, and if he remains unhappy with its response, he may be able to pursue a complaint about the dealership with another ADR body, the details of which were provided by our Investigator.

That leaves me with Mr M's complaint that he was mis-sold the car, or it was misrepresented to him because a mileage discrepancy with the NMR was not disclosed. I've considered this very carefully, but I'm not persuaded that this is the case or that VFS is responsible for what happened.

When considering misrepresentation I need to consider two things – if there was a false statement of fact and, if so, did that false statement of fact induce Mr M to choose this particular car.

But based on the evidence I've seen, the mileage that was conveyed to Mr M when the car was supplied, was the correct mileage, and it's correctly listed on the credit agreement paperwork. So, given that Mr M was provided with a car that had the correct mileage, there has been no false statement of fact. Because of this, I've concluded that the car wasn't misrepresented to Mr M.

I've gone on to look at the evidence provided by VFS; details of the HPI check undertaken in June 2022, but there's simply nothing there to indicate that there was a mileage discrepancy or that VFS needed to ensure additional checks, or more detailed checks were completed. In fact the HPI certificate was released on 14 June 2022 – just the day before Mr M says he acquired the car – and no mileage discrepancy or concerns were displayed.

I accept that the existence of a mileage discrepancy was later established when Mr M came to sell the car, but it seems to me that responsibility for this discrepancy resided with the NMR and isn't something I can hold VFS responsible for. And although Mr M says it led to an offer for his car being withdrawn, I have to tell him it was only an offer, it wasn't guaranteed, and it could've been withdrawn by the potential purchaser at any time and for any reason. So for all these reasons I do not think VFS is liable for the anxiety and inconvenience that Mr M experienced because of the mileage discrepancy, and I won't be asking it to compensate him for the losses he perceives to be VFS' fault.

Taking everything into account, I simply cannot uphold Mr M's complaint. I know he'll be disappointed with the outcome of his complaint, but I hope he understand why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 February 2026.

Andrew Macnamara
Ombudsman