

The complaint

Mr B complains that Volvo Car UK Limited ('VC') misrepresented a sales proposal.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr B negotiated the purchase of a car with a dealership ('the dealer') with VC acting as a credit broker for the associated finance.

Mr B says that a sales agent for the dealer told him that as part of the deal it would take his current car (which was subject to existing finance) as a part exchange. Mr B says that the dealer led him to believe that the trade-in deal it put forward included it discharging his outstanding loan balance of £5,707.32.

Mr B says he accepted this and paid to reserve the car but he later found out that the balance was outstanding – and the dealer had not paid this off as he expected it to. Mr B decided not to go through with the finance which VC had arranged for him.

Mr B complained to VC but it said it wasn't at fault for what had occurred here. Mr B disagrees. He maintains that the dealer is an agent of VC - so VC is responsible for its wrongdoing here.

Mr B referred the matter to this service saying he wanted the original deal honoured or compensation for the sum of £5,707.32 which represents his financial loss. He also says the matter has caused him disappointment and inconvenience.

Our investigator did not uphold the complaint so Mr B has asked for an ombudsman to make a final decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

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 having been good industry practice at the relevant time.

From what I can see there is persuasive evidence that the dealer's salesperson told Mr B that it was willing to offer him a deal for his existing car which involved in giving him £23,500 to use against the new car and discharging his existing finance liability of £5,707.32. Effectively the dealer was offering Mr B £29,207.32 for his existing car.

Mr B says he thought this was a generous deal – so no doubt this contributed to his decision to go ahead with it. And I can see that when the dealer didn't honour it Mr B was understandably disappointed. From what it seems from the testimony – the original salesperson (who had apparently left the dealer) had made an error in the deal he offered.

I am sorry to hear about the issue Mr B has described. Mr B says that it is VC who bear responsibility for what has occurred as the dealer is acting on its behalf. I have carefully thought about what Mr B has said here.

Our jurisdiction covers the acts and/or omissions of VC in respect of FCA regulated financial activities only – and that may extend to the actions of third parties working on its behalf. However, in the circumstances here I am not persuaded there has been an error in respect of VC's specific role here as a regulated firm. I will explain why.

As far as I can tell from the evidence I have, after agreeing the terms of the purchase and part exchange the dealer directed Mr B to VC's website to progress things and facilitate the finance application. VC was not providing the finance itself – this was a separate legal entity. In respect of regulated financial services, VC was essentially acting as a credit broker here in arranging finance.

This service can look at credit broking. But I don't think VC did anything wrong in respect of this activity. I recognise that after the finance deal was accepted in principal Mr B got a letter asking him to settle his existing finance. But I don't think this shows VC made an error in respect of its role as a credit broker. Mr B knew he had an outstanding amount on his existing finance to settle – and how much this was. The issue is Mr B understood the dealer would be paying for it as part of the deal it offered him in respect of the part exchange.

While credit broking can encompass things said in respect of arranging a finance agreement – I think what has occurred here (an overvaluation of Mr B's trade in car) is more closely aligned with a retail activity by the dealer than VC's credit broking. I say this particularly noting here that VC is one step removed from the dealer – which is a separate legal entity to it. So in the circumstances here I can't fairly say the overvaluation is the fault of VC in respect of its role as a credit broker here (either directly or via an agency relationship).

I recognise VC is involved in various retail aspects in the sale of its cars and deals offered by its associated network of dealers. But my role isn't to look at a retail complaint (Mr B can pursue that matter separately if he wishes). My finding is that it isn't fair and reasonable to uphold this complaint against VC in respect of its role here as a credit broker.

I recognise there is an argument this complaint concerns the regulated debt activities provided in connection with the whole or partial settlement of credit agreements for vehicle finance (such as debt adjusting). However, this isn't something VC offered to do for Mr B here or was aware of – it was the dealer. And as far as I can tell the dealer isn't appointed to do this on behalf of VC either. The dealer is regulated separately in relation to such activity. So it's not something VC is responsible for here in any case.

For completeness, even if I were mistaken about the role and responsibility of VC in respect of regulated financial services (which I don't consider I am) my findings would not change in any event. I recognise Mr B was no doubt disappointed about finding out the deal would not be honoured, however this was clarified relatively soon after the initial offer. And while Mr B said he made a particularly long trip to the dealer to address the matter and ensure it honoured the deal – I am not persuaded this was necessary – noting Mr B had already been informed about the situation and could have conducted matters over the phone or in writing.

Furthermore, I don't see where Mr B has acted to his detriment financially due to the misinformation. He didn't end up taking out the new finance agreement and I understand was reimbursed the reserve deposit for the car. And he always owed the outstanding amount on his existing agreement so it cannot fairly be considered a financial loss. I also note the remedy for misrepresentation in any event would not usually be to give Mr B the benefit of the untrue information but put him back in a position he would have been had the misrepresentation not been made. And while some situations might call for a different approach I don't think the specific circumstances here mean it is fair and reasonable to make an award.

I note Mr B has explained how this case is analogous to others this service has decided in respect of the incorrect actions of a business causing a consumer to lose the benefit of an expected deal. Mr B appears to have cited references to decisions which do not exist or are unavailable on our database. However, and in any event our cases are decided on the individual circumstances. And because of the circumstances I have covered above (and noting the offer appears to have never been a genuine opportunity but an isolated mistake by the salesperson) I don't think it would be fair and reasonable to conclude that he is entitled to reimbursement here.

I know my decision is likely to disappoint Mr B but he doesn't have to accept it and can pursue matters through more formal means (such as court) if he chooses.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 February 2026.

Mark Lancod
Ombudsman