

## **The complaint**

Mr W complains that Volvo Car Financial Services UK Limited (who I'll call Volvo) told him he'd missed a payment toward his finance agreement when he hadn't.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In January 2023 Mr W entered into a conditional sale agreement with Volvo for a new car. Volvo said he'd missed a payment in March 2025, but Mr W disagreed, and he referred his complaint to this service.

Our investigator didn't think the evidence suggested any payments had been missed. It was his view that Volvo should recredit the £243.15 instalment they'd moved into a suspense account on 1 May 2025 and that they should refund the additional payment Mr W had made when he attempted to resolve the situation. He said they should amend any negative credit file entries and that they should pay Mr W £150 in respect of the distress and inconvenience he'd been caused.

Volvo didn't agree, they said the payment had been rejected by Mr W's bank so they never received the payment and that Mr W had made an indemnity claim to recover it.

## **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.

I agree with the investigator's view of this complaint and for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Volvo has said that the direct debit due on 20th of March 2025 was rejected due to an 'AFT reject' and that it therefore did not receive the payment. However, the transaction records Volvo has provided show the payment was processed as a direct debit, with a posting value and date of 27 March 2025, Mr W's bank statement show the debit left his account and was not refunded. If the payments had been rejected or reclaimed, I would expect to see evidence of a returned direct debit or a corresponding credit to Mr W's account, which is not present. Volvo have provided evidence of a direct debit indemnity claim for the same value made in July 2025, but I'm satisfied that most likely relates to the request Mr W made to recover the overpayment he made in that month. On balance, I'm satisfied the March 2025

payment settled successfully and that any subsequent removal or suspension of the funds arose from Volvo's internal processing. I don't consider it fair for Mr W to be treated as having missed a payment in those circumstances.

### **Putting things right**

I'm satisfied that Mr W didn't miss any payments towards his agreement for the period I've reviewed between January 2025 and September 2025, but he paid one more instalment than was due as he made two supplementary card payments and only recovered one of them.

Volvo should therefore recredit the payment that they debited from the account on 1 May 2025, and they should refund the £243.15 Mr W overpaid.

Mr W has been inconvenienced by these issues, and it must have been distressing to think his account was in arrears and he's had to make additional payments due to the confusion Volvo created. In the circumstances I think Volvo should pay him £150 in compensation in recognition of that.

Volvo will also need to amend any reports they have made to Mr W's credit file in relation to this issue. They should show no missed payments for the period January to September 2025 inclusive.

### **My final decision**

I uphold this complaint and tell Volvo Car Financial Services UK Limited to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 February 2026.

Phillip McMahon  
**Ombudsman**