

The complaint

Mr D complains about the service that he's received from Volkswagen Financial Services (UK) Limited, trading as Audi Financial Services, in relation to a debt that he owes arising from a hire purchase agreement under which a car was supplied to him. His friend is also involved with his complaint.

What happened

A used car was supplied to Mr D under a hire purchase agreement with Audi Financial Services that he signed in June 2007. The price of the car was £25,000, Mr D made an advance payment of £5,000 and he agreed to make a payment of £513.49, 47 monthly payments of £373.40 and a final payment of £8,733.35 to Audi Financial Services.

Mr D complained to this service in June 2025 that he hadn't had a response to letters that he'd sent to Audi Financial Services. This service provided details of the complaint to Audi Financial Services and it sent its final response letter to Mr D in October 2025. It didn't uphold his complaint and said that its solicitors had confirmed that the amount owed was £13,515.47. It said that he should contact its solicitors on the phone number that it provided to arrange payment or discuss the balance further.

Mr D's complaint was then looked at by one of this service's investigators who, having considered everything, didn't think that Audi Financial Services had acted fairly. She thought that it could have communicated better with Mr D or his friend and acknowledged receipt of the letters and said that the letters were being passed to its solicitors. She also thought that it should have explained to Mr D sooner than it did that his account was with its solicitors, and any contact would need to be with them. She recommended that it should pay £50 compensation to Mr D to reflect the inconvenience that he'd been caused.

Audi Financial Services accepted the investigator's recommendation, but Mr D didn't accept it, so I've been asked to issue a decision on his complaint. Mr D's friend says, in summary and amongst other things, that: the total lack of communication from Audi Financial Services left Mr D with no alternative to referring his concerns to this service; an important legal document has been lost; it's still Mr D's intention to negotiate settlement of the debt due to Audi Financial Services but, without an address to write to, he can't do so; and Audi Financial Services hasn't acted rightly, to Mr D's ongoing detriment.

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.

Audi Financial Services has provided its notes for Mr D's account. They show that the hire purchase agreement was terminated in August 2009, the car was returned in December 2009 and a charging order was issued and served on Mr D in September 2010. Mr D has asked Audi Financial Services for a copy of the charging order, but it says that the solicitors that it was using at the time that the order was issued hadn't provided it to its current solicitors and have confirmed that they no longer hold it, so it's unable to retrieve it.

Mr D's friend says that it's still Mr D's intention to negotiate settlement of the debt due to Audi Financial Services but, without an address to write to, he can't do so. Audi Financial Services has said that Mr D should contact its solicitors on the phone number that it provided to arrange payment or discuss the balance further. If Mr D or his friend want to write to Audi Financial Services' solicitors, I suggest that they contact it on the number provided and ask it for the address to which they should write about Mr D's debt.

Mr D says that he's been writing to Audi Financial Services since July 2024 without a reply. Its notes show that it received some letters from Mr D, which it forwarded to its solicitors as they were dealing with Mr D's debt. I agree with the investigator that Audi Financial Services should at least have acknowledged receipt of some of those letters and explained that they'd been passed to its solicitors. Its failure to do so has caused distress and inconvenience for Mr D, and his friend has referred to the ongoing detriment to Mr D. I find that it would be fair and reasonable in these circumstances for Audi Financial Services to pay £50 to Mr D to compensate him for that distress and inconvenience, and it has agreed to do so.

I'm not persuaded that a higher amount of compensation is justified in these circumstances and, as Audi Financial Services doesn't have a copy of the charging order, I can't require it to provide a copy of it to Mr D. I find that it wouldn't be fair or reasonable in these circumstances, for me to require Audi Financial Services to take any other action in response to Mr D's complaint and I suggest that he contacts its solicitors about his debt.

My final decision

My decision is that I uphold Mr D's complaint and order Volkswagen Financial Services (UK) Limited, trading as Audi Financial Services, to pay him £50 to compensate him for the distress and inconvenience that he's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 March 2026.

Jarrold Hastings
Ombudsman