

The complaint

Mr H has complained that Ald Automotive Limited, trading as Lombard Vehicle Solutions (“Ald”) didn’t refund payments made on his car finance agreement after it had been settled.

What happened

Mr H acquired a new Audi in November 2022, using a credit sale agreement with Ald. The monthly payment was £329.52 over a term of 36 months, with a final balloon payment of £11,243.25 due if Mr H wanted to keep the car at the end of the term.

In September 2025 Mr H wanted to sell the car so he requested a settlement figure. Ald issued this on 19 September, and said the amount required was £11,243.25, and that this figure was valid until 30 September. On the basis of this settlement figure, Mr H decided to go ahead with the sale of the car and on 30 September the dealership that bought it sent £11,243.25 to Ald to repay the agreement.

However, Ald took two further direct debit payments of £329.52 each in September and October 2025. Mr H contacted Ald to request the refund of these overpayments.

Mr H then said he received a letter saying that a bank transfer would be made to refund £659.04, but he received a payment of £329.52 on 21 November 2025.

Mr H complained to Ald about all this. Ald issued its final response in December 2025, saying that as the settlement figure it had issued in September 2025 had been incorrect, and should have been higher, *no* refund was due.

Mr H was not happy with this, and brought his complaint to this service. Our investigator looked into it and thought it should be upheld. Ald responded to say that it had refunded the one overpayment that was due, and had made a goodwill payment of £50. However, Mr H then received a refund of the second overpayment of £329.52.

When our investigator said he thought Mr H’s complaint should be upheld, he also said that, in addition to the refund of the two overpayments, Ald should pay interest on those overpayments and should pay a further £150 in recognition of the distress and inconvenience caused to Mr H in having to chase up the overpayments on several occasions. Following the refund of the second overpayment, our investigator reiterated his view that further compensation was due. Ald disagreed and asked for the complaint to be reviewed by an ombudsman.

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’ve decided to uphold Mr H’s complaint. I’ll explain why.

Ald issued the settlement figure in September 2025 and that influenced Mr H's decision to sell his car. I think it was reasonable for Mr H to rely on that figure, and therefore, even if Ald had made an error in its calculation, I think it fair that Ald should honour that figure. So I'm satisfied that Ald should have refunded the two additional direct debit payments totalling £659.04.

When our investigator issued his view, Ald had refunded one of the two payments of £329.52 and paid £50.00 as a gesture of goodwill. In his view our investigator said that, to put things right, Ald should refund the second payment, and in addition pay interest on the two monthly payments and make an additional payment of £150 in recognition of the distress and inconvenience caused to Mr H.

Ald has now refunded the second payment, but has not made the additional payments.

Having looked at all of the evidence provided, I agree that Ald didn't act fairly in dealing with the settlement of Mr H's car finance agreement. And although it has now refunded the two overpayments, it has not yet paid interest, or the additional payment of £150 that our investigator thought was fair.

I can see that Mr H has had to contact Ald on numerous occasions, and this has been extremely inconvenient for Mr H. So I agree with our investigator that £150 is a fair amount in recognition of this. I also agree that interest should be paid on the two overpayments.

Taking all this into account, I don't think Ald has acted fairly, and Mr H has lost out as a result. So I uphold this complaint.

Putting things right

Ald should:

- Pay 8% simple yearly interest* on the two payments of £329.52 from the date Mr H paid them to the date of settlement.
- Pay Mr H £150 in recognition of the distress and inconvenience caused.

*If Ald considers that it is required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr H how much it's taken off. It should also give Mr H a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons given above, I have decided to uphold Mr H's complaint and to require Ald Automotive Limited to compensate him as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 April 2026.

Jan Ferrari
Ombudsman