

complaint

Mr L complains about charges for repairs that Volkswagen Financial Services (UK) Limited has asked him to pay.

background

In May 2014 Mr L entered into a hire agreement with VWFS for a new car.

When the agreement ended Mr L returned the car. As far as he was aware there was no problem with the condition of the car. Indeed, in his opinion, he returned it in *"mint condition"*. But months after he returned it, out of the blue, from his perspective, he got a bill from VWFS for repair works.

Mr L sent VWFS information from a garage he'd paid to repair the car before he returned it. But he never heard back from VWFS about this. Mr L said the garage he used was a VWFS approved garage.

Further, Mr L was promised phone calls back several times but this didn't happen. Rather after having been pushed from *"pillar to post"* he said, finally he was contacted by a collections agency, acting on behalf of VWFS.

The collections agency didn't answer the queries he'd raised earlier with VWFS. Instead it merely asked for payment. The agency contacted him so frequently while he was disputing this matter that he suggested its contact had become inappropriate. He asked the agency to stop contacting him, and it did for a while, much to Mr L's relief.

In addition, Mr L thought that VWFS should not have left so long a gap between accepting the return of the car and sending him the bill for the damage. Also, he wanted to know why the repair works he'd had done were not good enough. Added to which, he wanted to know why VWFS wanted to charge him so much, and proof that it had done the repairs. Mr L asked to see information to demonstrate that the car had lost resale value due to the damage. In any event, he thought the report VWFS had provided didn't show the damage it wanted him to pay to put right.

VWFS suggested it had done nothing wrong. Its stance was, under its agreement with Mr L, he is responsible for the damage it is charging him for.

Dissatisfied with this response, Mr L came to us.

Our investigator looked into Mr L's complaint. She didn't recommend upholding it. In short, she could see that the contract between the parties provided for VWFS to charge Mr L for repairs in certain circumstances. She thought these circumstances were present here, so it was entitled to act as it had done. Further, she did not think the actions taken by VWFS to recover the debt were inappropriate.

VWFS replied to let us know it accepted our investigator's recommendation. When it replied, it also agreed that there had been a delay in sending the invoice. But it didn't think that meant Mr L had no idea the bill for the damage was coming. It said this because, at the time the car was inspected, Mr L would have been told by the expert who inspected the car that it was damaged. This expert would have told Mr L that VWFS would charge for the damage. VWFS added that the car had now been sold for around £1,500 less than its book price.

Mr L didn't accept our investigator's recommendation. In summary, he repeated again that the repair work had been done by a VWFS approved garage. He suggested he'd been told the charges would be waived if he used a VWFS approved garage. He didn't agree that the report produced by the expert showed the damage he was being charged for. Later on, he wrote to tell us that after leaving off for a bit, he had again been contacted by agency acting for VWFS, to repay the debt. Mr L thought VWFS should not be doing this.

Mr L asked that an ombudsman review his complaint.

my findings

I've considered all the available evidence and arguments, including the photos Mr L sent to us after our investigator looked at his complaint, to decide what's fair and reasonable in the circumstances of this complaint.

First I want to apologise to both Mr L and VWFS for how long it has taken for Mr L's complaint to reach this stage in our process. And I thank them both for their patience.

Where there is a dispute about what happened (as is the case, in part here) I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

the damage

There's no dispute that the contract provides for VWFS to charge Mr L for damage, in certain circumstances. In particular it seems the parties agree that where repairs are poor VWFS is entitled to charge Mr L to put this right. VWFS says the repair work was of poor quality and it has provided an expert's report to demonstrate this. VWFS also relies on industry guidance created by the BVRLA which is relevant for new cars.

For his part Mr L says the quality of the repairs was satisfactory. He has also sent us his own photos to support what he says.

I can't tell when Mr L's photos were taken and there appears to be no licence plate on the car in the photos. Whereas the photos provided by the expert show the date the photos were taken and the registration number of the car.

Mr L says the expert's photos show distortion due to the paintwork reflecting the stones on his driveway. I can see the reflection of the stones but I can also see the quality of the repairs. It seems to me this level of repair would entitle VWFS to charge Mr L under the industry guidance it relies on.

For all of these reasons, I agree on the face of it VWFS is entitled to charge for the damage.

I realise Mr L may be disappointed to find he has to pay for damage which he thought had been repaired correctly by his own garage. He suggests it was a VWFS approved garage that did the work for him. On this basis, he says the charge should be waived. But we contacted the garage and it said it wasn't.

why I don't think VWFS has to provide further information

I don't think I have to make VWFS provide us with proof of the repairs, the costs seem proportionate. In any event it seems likely that VWFS lost money on its car because of the damage. It has told us that the car sold for less than its book price. I accept there are many reasons that are likely to impact on the price a car achieves at auction. But I do think the condition of the car is likely to be one of the factors that will impact on the price achieved. It follows, on balance, I'm satisfied that because of the poor repairs the car sold for less than it would otherwise have done.

the delay in providing the invoice and the failure to contact Mr L as promised

I can see it took VWFS quite a while to send Mr L the invoice for the damage. I take Mr L's point that, ideally, the contract, should provide for the invoice to be sent fairly quickly after the return of the car and the inspection. But the contract does not say this. So as a starting point I don't agree VWFS did do anything wrong here from a contractual point of view.

Further, I can't fairly and reasonably say Mr L lost out because VWFS dragged its heels here. I say this because whether he got the invoice immediately or whether there was a delay he'd still be disputing the invoice as he does not agree the damage was there in the first place. He is not saying if he got the invoice earlier he would have agreed to make the payment.

I can well understand that Mr L found it frustrating to chase VWFS for calls back. I think the thrust of his complaint though is not about VWFS's failures to contact him when promised but about charging him for the damage. And as I've already said it was entitled to do this.

debt recovery

I realise Mr L objects to the debt recovery action that VWFS put into motion. But he is contractually obliged to pay for this damage. It follows that VWFS is asking him to pay his debt. I don't think this is inappropriate. Further, just because he made a complaint that we are looking at does not mean that VWFS is obliged to stop pursuing him for the debt.

Mr L has not said anything about the tone of the contact from the debt recovery agents that makes me think it has acted unprofessionally in carrying out VWFS's instructions. Neither have I seen anything about the frequency of the contact that makes me think it has been inappropriate.

In summary, in all of the circumstances, for the reasons I have gone through, I have no proper basis to tell VWFS it must do anything further.

my final decision

My final decision is that I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before **11 April 2020**.

Joyce Gordon
ombudsman