

complaint

Mr G has complained Volkswagen Financial Services (UK) Limited, trading as Volkswagen Finance, didn't give him a breathing period to decide what to do about buying his car at the end of his finance agreement. He was concerned about the impact of having a car fitted with software that affected the emissions it produced, under certain conditions.

background

Towards the end of 2015, Mr G found out his car had software installed that affected the emissions under test conditions. His hire purchase agreement was just coming to an end so he was reviewing his options. He could pay the lump sum to buy the car or use this to part-exchange his car. He could also opt to just hand the car back.

As Mr G wanted to know the *"full extent and impact of the testing manipulations"* before committing to the purchase, he asked if Volkswagen could have given him some breathing space. They wouldn't agree to this so Mr G decided to pay the lump sum and buy the car. He's since traded this in for another car but feels he's ended up paying more than he wanted to.

Mr G feels any information being given to him to allow him to make an informed decision was only given in dribs and drabs. So he complained to Volkswagen Finance. They didn't believe there was any more they could do but would keep him informed if his car was one where further action may be needed.

Mr G didn't feel this resolved his problem. Mr G brought his complaint to the ombudsman service.

Our adjudicator looked into the complaint, and told Mr G that he didn't think Volkswagen Finance had done anything wrong. He didn't think they'd acted unfairly in expecting Mr G to meet the terms of his finance agreement and deciding whether to buy the car or not. Mr G felt their unwillingness to delay the end of the agreement until more was known means that overall they mis-sold him the finance agreement. Our adjudicator didn't agree.

The complaint's now been passed to me to make a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr G got his car under a hire purchase agreement with Volkswagen Finance. Under certain circumstances, I can ask Volkswagen Finance to put things right if Mr G was given incorrect information that led him entering into that agreement.

There are two main aspects of Mr G's complaint and I've considered both of them.

information given to Mr G before he decided to buy the car at the end of the agreement

I understand Mr G's strength of feeling about his complaint. But I've not seen anything which shows Volkswagen Finance acted unfairly in refusing to allow Mr G to defer a decision on buying the car for a time. I appreciate he didn't mean this to be long-term just until information on the emissions issue was clearer. But I'm sure Volkswagen Finance were reassuring Mr G this wouldn't be having an impact on the value of his car. Mr G was aware of the terms of his agreement – and he doesn't dispute this – so I'm sure he'll understand why I'm saying Volkswagen Finance didn't do anything wrong in refusing his request. Even though I know he feels the specific circumstances of what was going on means he doesn't agree.

As I don't believe Volkswagen Finance acted unfairly, I'm not upholding this part of his complaint.

misrepresentation of the finance agreement

On the basis Volkswagen Finance wouldn't defer the end of the agreement; Mr G feels the finance agreement was mis-sold to him. I don't think it's possible that they could have foreseen the circumstances why Mr G wanted to delay the end of the agreement at the start.

I appreciate the points Mr G has made about this. But I don't believe he was misled about the costs or terms of the finance agreement. He's admitted he chose the finance Volkswagen Finance offered because it was convenient but he feels these agreements are designed to steer the customer towards trading in the car at a reduced amount. I believe Mr G still had different options available to him as his agreement came to an end. It wouldn't be fair to hold Volkswagen Finance responsible for the decision he eventually made.

conclusion

Having carefully considered all the evidence, I'm not going to uphold Mr G's complaint. I don't believe it would be fair to ask Volkswagen Finance to do anything further. Particularly as I don't believe the finance agreement was misrepresented to him.

my final decision

For the reasons I've given, my final decision is not to uphold Mr G's complaint against Volkswagen Financial Services (UK) Limited, trading as Volkswagen Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 February 2017.

Sandra Quinn
ombudsman