

The complaint

Miss P complains that the software in a car acquired with finance from Volkswagen Financial Services (UK) Limited “VWFS”) was incompatible with her phone.

What happened

In May 2022 Miss P was supplied with a car and entered into a hire purchase agreement with VWFS.

In October 2022 Miss P raised concerns because she was unable to connect her new phone.

The dealership advised Miss P that the vehicle’s software wasn’t compatible with her phone and that a software update would be required, but that as yet there was no release date for the software update.

Miss P complained to VWFS and asked to reject the car.

In its final response VWFS said there were no faults with the car and no grounds to reject it.

Miss P complained to this service.

I issued a provisional decision in which I explained that although there was a compatibility issue with the software and Miss P’s phone, there was no evidence that the software was faulty or that the car wasn’t functioning as intended. I said that there wasn’t enough evidence to say that the car wasn’t of satisfactory quality so I couldn’t recommend a rejection of the car. But I did recognise that Miss P’s use and enjoyment of the car has been impaired because of the compatibility issues. I acknowledged that VWFS had made an offer of £500 to compensate Miss P for this but said I didn’t think this sum was sufficient because there was no guarantee as to if or when the software update would be available, and this had left Miss P in an uncertain position where she may well experience the compatibility issue throughout the agreement.

I said that I thought the fairest way to resolve Miss P’s complaint was for VWFS to refund 5% of all the monthly payments made by Miss P so far in addition to paying her the £500 previously offered. I also said that as soon as the software update becomes available this should be applied to Miss P’s car at no cost to Miss P.

I invited both parties to let me have any further evidence they wished to rely on or arguments they wished to raise.

Miss P replied and accepted my decision. VWFS replied and said it had no further evidence to add.

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.

Neither party has raised any further arguments or submitted any further evidence. In the circumstances I haven't changed my mind and I'm recommending that VWFS put things right for Miss P in the manner I set out in my provisional decision.

Putting things right

Volkswagen Financial Services (UK) Limited must;

Refund 5% of all monthly payments made by Miss P to date to reflect impaired use and enjoyment

Pay £500 compensation to Miss P (if not paid already)

Install the software update as soon as it becomes available at no cost to Miss P

My final decision

My final decision is that I uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 8 November 2023.

Emma Davy
Ombudsman