

The complaint

Mr W complains that Volkswagen Financial Services (UK) Limited trading as Porsche Financial Services (PFS) increased the interest rate on his finance offer to 10.9% after this had previously been agreed at 6.9%.

What happened

Mr W ordered a car from a dealership and received a quote for finance. He says he was told he would need to take the car by end of December 2022 in order to have the 6.9% APR but the car wasn't delivered until January 2023 at which point, he was told the interest rate had increased to 10.9% APR. He says this increased the cost of the agreement by £15,000. He says that had he known that the 6.9% APR wasn't guaranteed he would have secured finance with another provider at that rate.

PFS said that no agreement was signed by Mr W and it understood he had sourced finance from another provider to acquire the car. It said that the quote provided by the dealership was valid for 30 days; was subject to changes such as vehicle or equipment prices and prevailing interest rates; and was an offer that was subject to acceptance by PFS. It said the dealership had confirmed that the 6.9% APR wasn't guaranteed to Mr W.

Mr W referred his complaint to this service. Our investigator didn't uphold this complaint. She said that the interest rate wasn't guaranteed and that PFS wasn't responsible for any delays in the car being delivered.

Mr W didn't agree with our investigator's view. He said he was told to accept the proposal in order to lock in the interest rate. He said it wasn't reasonable that he was pushed to accept the finance proposal at the 6.9% APR if this rate wasn't guaranteed and that it wasn't fair that the quote was valid for 30 days when the car's build time was longer than this. He said as he was pushed to accept the proposal at 6.9% APR this rate should remain valid irrespective of any delays in the car being delivered.

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 can understand why Mr W is upset by the experience he had when sourcing finance for his car. But for me to uphold this complaint I would need to be able to say that PFS had done something wrong or treated Mr W unfairly.

Mr W ordered a car and was provided with a quote for finance which included the interest rate. Mr W says that once he accepted the proposal the interest rate should have been locked in. However, I have nothing to show that the dealership said this interest rate was guaranteed and when Mr W raised this complaint, he said he was told he would need to take the car by end December to receive the 6.9% APR rate.

I understand that the car wasn't delivered until January 2023 by which time the 6.9% APR

was no longer available, and a higher interest rate was quoted. I understand this will have been upsetting for Mr W and I note the potential additional cost this would have incurred. But looking at the proposal, this sets out that the quote is valid for 30 days, subject to change such as vehicle or equipment prices or prevailing interest rates and that it is subject to acceptance by PFS. As no agreement was signed, I cannot say that a rate had been locked in and as I have nothing to show that Mr W was told the interest rate was guaranteed, I do not find I can say PFS did anything wrong by providing the interest rate that was available at the time the car was delivered. I understand that Mr W didn't take out an agreement with PFS which further supports that no agreement had been locked in before the car had been delivered.

PFS has explained that it had notified its dealerships of the campaigns it was running and the deadlines and this ties in with Mr W's comments about the car needing to be delivered by end December. These are commercial decisions and I have nothing to suggest that Mr W was treated unfairly in regard to the offer he was made in January 2023.

Overall, I can understand why Mr W is upset that the interest rate increased but I cannot say that PFS did anything wrong or treated Mr W unfairly in this case. Because of this I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 September 2023.

Jane Archer
Ombudsman