

## **The complaint**

Mrs F complains about the way she was treated by Harwoods Limited trading as Harwoods Land Rover Edenbridge (Harwoods) when ordering a new car. In summary, the initial order for the vehicle was delayed and a new order then had to be submitted. The cost of the new car and associated finance agreement had changed, and Mrs F was required to pay considerably more to acquire the vehicle.

Mrs F would like to be compensated for the increased cost of the vehicle and associated finance agreement.

Mrs F is represented in this complaint by her husband, but for ease I have referred to all submission from Mr and Mrs F as if made by Mrs F.

## **What happened**

In March 2022 Mrs F agreed to acquire a new car through Harwoods. There were delays with the manufacturing process of the vehicle and Mrs F was informed in July 2022 that the car had been delayed and a new order needed to be submitted. This was done in July 2022 and Mrs F took delivery of the car in January 2023.

When the car order was resubmitted in July 2022, the price of the car had increased and so had the interest rate on the associated finance agreement. This ultimately meant that because of the delays Mrs F was required to pay more for the car than had had originally been agreed.

In addition to the increase in costs, Mrs F is unhappy about the way she has been dealt with by Harwoods and believes, amongst other things, the communication could have been clearer.

Harwoods responded to Mrs F's complaint and accepted the service it had provided should have been better. It offered Mrs F £250 towards goods and services at Harwoods. It explained that the price increase in the vehicle and cost of finance was beyond its control, as this had been set by the manufacturer and finance provider. It noted that Mrs F had accepted the vehicle price increase and finance increase in July 2022 when the order was resubmitted.

Unhappy with Harwoods' response, Mrs F referred her complaint to our service, where it was considered by one of our investigators. The investigator set out why they didn't consider the complaint should be upheld and Mrs F explained shy she didn't accept the investigator's conclusions. The complaint has now been passed to me to review as the last stage in our process.

## **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'm very aware that I've summarised this complaint above in far less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

As the investigator has explained, there are limits to the scope of our investigation and our rules do not allow us to consider everything said and done by Harwoods in its interactions with Mrs F. Harwoods is a car dealership, supplying new and used cars, and is also acting in its authorised capacity as a credit broker. Selling cars as a car dealership is not a regulated activity that we have the power to consider. But credit broking, which is broadly introducing Mrs F to the credit provider that is used to fund the cost of the new vehicle, is a regulated activity that our service is able to consider.

Harwoods has referred to ongoing issues which have had a significant impact on the time it has taken recently to manufacture new cars. Although issues have eased more recently since their height, the problems have at some point over the last few years impacted most of the global car production. These manufacturing delays have impacted Mrs F and this has resulted in Mrs F having to wait longer for the new car to be supplied.

I fully appreciate the disappointment and frustration Mrs F feels in having to wait approximately ten months for the new car to be provided. I also understand the frustration of realising that the initial costs Mrs F thought she would have to pay for the car and associated finance have now increased. Harwoods has referred to a number of things being beyond its control but have accepted that things could have been handled better. However, I do not consider there are sufficient grounds in this case to instruct Harwoods to compensate Mrs F for the increased costs of approximately £3,000 associated with supplying the vehicle later than intended.

I accept that the level of service Mrs F should have received could have been better but as explained already above, there are limits to what I can actually consider and these are limited to what falls under the activity of credit broking. This does not include the broader car ordering process or experience, or ultimately the price increase for the cost of the car.

There is no dispute that the delay in supplying the car has ultimately increased the cost of what Mrs F is now required to pay when compared to what she originally had agreed to pay. The vehicle price and the cost of borrowing the money through the finance agreement have both increased, resulting in approximately £3,000 more for the total cost of the finance agreement over the duration of the credit agreement term.

Mrs F was informed about these changes in July 2022 when I understand the new car order had to be resubmitted. The full terms and cost of the new car and associated finance agreement were clearly set out for Mrs F to consider and decide whether she wished to proceed with the car order. I accept that the cost of the finance agreement, through the APR, was not explicitly mentioned or highlighted as an increase when compared to the original finance offer, but the interest rate was clear and prominent on the finance agreement.

Mrs F was able to reconsider the revised terms and decide whether or not she wanted to proceed on those terms. Mrs F could have ultimately decided not to proceed on these new terms if she didn't find them acceptable. I have considered what Mrs F has said about this and that the increased cost was to be considered as part of a complaint to Harwoods. But I have not seen anything to indicate that Mrs F was led to believe the new higher price would

actually be reduced or discounted prior to actually taking delivery of the car. There was always therefore the possibility that the new increased price would not in fact be reduced and Mrs F would be required to pay what had actually been set out in the new finance documents.

I've considered what Harwoods has said about the cause of the price increase and how these factors are beyond its control. There may have been some scope for Harwoods to have absorbed some or all of the price increase, but that would be a commercial decision for Harwoods to have considered. I've also considered that had Mrs F not proceeded in July 2022 with the order through Harwoods it is likely that similar delays would have occurred if the same model and specification vehicle was ordered through another dealership. But I understand the same cost increase would have likely applied if the same car was ordered through a different dealership as this was because of the car and finance costs applied by the manufacturer and credit provider.

I again fully appreciate that Mrs F is unhappy that she is now required to pay more than she originally understood she would be paying for the new car. But having considered what both parties have said and provided, I do not consider there to be sufficient grounds to direct Harwoods to pay Mrs F the approximate £3,000 for the increase in the overall cost of the agreement. The full terms and cost of the agreement were set out and ultimately Mrs F decided to proceed on that basis.

Harwoods has accepted things could have been handled better and have offered compensation to Mrs F for this. I am not persuaded it should now be required to do anything more than this.

### **My final decision**

I fully appreciate Mrs F will be unhappy with the conclusions I have come to here but for the reasons set out above I do not consider Harwoods should be required to compensate Mrs F for the sum she is seeking. My final decision is that I do not uphold Mrs F's complaint against Harwoods Limited trading as Harwoods Land Rover Edenbridge.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 19 June 2024.

Mark Hollands  
**Ombudsman**