

## **The complaint**

Mr O complains that Mercedes Benz Financial Services UK Limited imposed hire charges unfairly at the end of his finance agreement when it failed to ensure the car was collected.

## **What happened**

In April 2016 Mr O entered into a Hire Purchase Agreement for 36 months. I gather the contract end date was 29 April 2019, but the car was returned in July 2019. Subsequently MBFS charged Mr O a daily rental sum of £15.82 a day which totals £1138.32.

It also charged him for damages, but that is not being considered as part of this complaint. MBFS rejected his complaint and said its agent had tried to collect the car on several occasions. It gave Mr O a copy for the third parties' records of attempts. Mr O remained unhappy and brought his complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld.

She reviewed the records of collection attempts and concluded reasonable efforts had been made to collect the car. She noted that the first attempt was on 15 May and the agent said Mr O wasn't present at his house. He says he waited in all day. The next collection was booked for 5 June 2019, but Mr O asked that he be contacted an hour before arrival so you could get home, but that did not happen and the representative said that he could not wait for to you return.

On balance our investigator concluded there was no basis to uphold the complaint. Mr O didn't agree and said the late collection was the fault of the collection agency.

## **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 have looked at the agreement signed by Mr O. It states that when it *“is terminated and you will cease to be in possession of the Vehicle with our consent. You shall forthwith return the Vehicle to us in good condition, repair and working order at your own risk and cost at such address as we may reasonably specify and deliver up all registration and other documents relating to the vehicle.”*

That shows the onus was on Mr O to return the car. I can appreciate he relied on the collection agency, but I have seen no sign that he took any notable action to ensure the car was returned by the end of the contract. The first collection date was well after the agreement had ended and I have not seen that he showed any urgency to ensure the car was returned.

I have looked at the collection agency notes and I am satisfied it took reasonable steps to collect the car. It is regrettable that it didn't succeed, but I cannot say with any certainty that this was the fault of MBFS. I appreciate it would have been convenient for Mr O if the collection agency could have given him an hour's notice, but it wasn't obliged to do so.

He had use of the car up to 29 April and I consider it reasonable that he pay for that use as it remained in his possession and MBFS was denied access to its possession.

### **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 O to accept or reject my decision before 17 October 2020.

Ivor Graham  
**Ombudsman**