

The complaint

Mr P had a hire agreement with Mitsubishi HC Capital UK Plc (MHCC), formerly known as Hitachi Capital UK Plc. He has complained about the way it dealt with the retention of a cherished number plate.

Mr P's wife has also been involved in the complaint but, to keep things simple, I'll mainly refer to Mr P.

What happened

The circumstances of the complaint are well known to both parties. So I'm not going to go over everything in detail again here. But in summary, Mr P acquired a car under a three-year hire agreement with MHCC in May 2018. There were some issues with the car ordered, but Mr P says after some apologies and adjustments to the specifications he accepted it. He'd also arranged for a cherished number plate to be assigned to the car. He says he agreed with MHCC that at the end of the term, he'd receive back the cherished number plate on a retention document in the same order as MHCC had received it.

A few months before the end of the term, Mr P contacted MHCC to ask for the cherished plate to be returned. But when it was returned, he noticed MHCC appeared as the owner (grantee) of the plate.

Mr P complained that MHCC was recorded as the grantee, and the time it took for it to arrange the retention. Mr P says recording MHCC as the owner meant he couldn't assign the plate to another vehicle. He couldn't sell it. And he said two other lease companies wouldn't accept the document and allow the plate to be assigned to a lease vehicle.

MHCC explained that due to Covid-19 it had been processing retention requests online as opposed to via the post. This is because its staff were working from home. And it referred to an email it sent Mr P that explained it would process the request on the Driver and Vehicle and Licensing Agency (DVLA) website, and the process online is that the plate is automatically issued to the registered keeper of the car i.e., MHCC. But it did say that it had no interest in taking ownership of the cherished plate and that it asked Mr P to confirm he was happy to proceed, and to cover the costs if he was. As Mr P responded on 3 March 2021 to confirm he'd made the relevant payment and that he was happy to proceed, MHCC didn't think it had made a mistake. MHCC further explained it had sent Mr P the retention document with relevant sections signed so he could assign the plate to another vehicle.

MHCC also responded to a complaint Mr P had raised about the service he received when enquiring about a hire agreement extension. It apologised for the service of one of its staff members and paid £30 compensation. It also highlighted the end date of the agreement had been recorded a day late. And finally, it noted Mr P's comments that he was unaware the car was pre-registered when it was supplied and so he was surprised an MOT was required prior to the end of the term. And so MHCC paid him £50 to cover the MOT cost.

The relevant email MHCC sent Mr P said in order for his cherished plate to be put on retention using the online service, it required payment and an email response. The email also said:

This process is usually instant via the DVLA's website however we will process these requests in order of receipt and depending on the volume of requests at this time this could take up to 2 weeks to process. We will contact you with a Number Plate Authorisation Letter once the retention is confirmed which will enable you to have your plates changed over to the newly assigned retention.

The retention document will automatically be issued to the registered keeper when it is processed online (This is [MHCC]) we have no interest in taking ownership of your cherished number plate.

Once received back from the DVLA we will sign sections 1 & 6 on the document which will enable you to make any required changes you may need to make (i.e., Adding yourself as a nominee) and post this out to you at an address you'll specify when able to.

After Mr P complained, MHCC asked the DVLA to change the name of the grantee but it said this wasn't possible. I think the only way Mr P can be added as the grantee is if the plate is assigned to a vehicle registered to him.

Mr P referred his complaint to our service and one of our investigators looked into things. He thought MHCC had done enough to put things right. And he thought it issued a reasonable warning about the online process for obtaining the retention document.

Mr P didn't agree. He says he agreed with MHCC the plate would be returned to him in the same order it was provided. And as that didn't happen the only option he'd have would be to buy a car to facilitate the transfer which was both time consuming and costly.

I issued a provisional decision that said:

Mr P acquired the car under a regulated consumer hire agreement. And our service is able to consider complaints relating to these sorts of agreements.

Mr P has raised various complaints against MHCC, but the crux of what he's still unhappy with is the complaint relating to the cherished plate. So this is what I will focus on.

I think the key question I need to ask myself is did MHCC give Mr P an adequate warning of the implications of obtaining the retention document online. And I don't think it did.

Mr P has said he's had the cherished plate for around 30 years and has never not had it registered to a car. So he's effectively now in no man's land, without a car to assign the plate to. I believe the usual process would have been for MHCC to have posted the forms to the DVLA which would've allowed Mr P to be recorded as the grantee. But the online process automatically placed MHCC as the grantee.

I've thought carefully about the email MHCC sent to Mr P setting out the online process. I'm not persuaded it provided a sufficient warning that this was a significantly different process to what Mr P would have expected. It says the document will automatically be issued to the registered keeper. But this could simply mean the document is posted back to the registered keeper. I appreciate the email goes on to say MHCC has no intention of taking ownership, and that Mr P could make changes to it. But it could have done more to explain the online process is different to the postal method, and that MHCC would be recorded as the grantee.

And I think it would've have been helpful to have explained the implications of that i.e., that the only way the consumer would be recorded as the grantee would be if they were to assign the cherished plate to a vehicle in their name. If that had happened, Mr P would have highlighted the issue.

I've also thought about the reasons why MHCC followed the online process. It says its staff members were working from home because of Covid-19. I can understand firms were impacted by Covid-19, there were operational challenges, and they had to get used to new ways of working. But I'm also mindful that by the time Mr P asked for return of the number plate, it was mid-way through 2021, over a year after the outbreak of Covid-19. Lockdown restrictions were easing. And I think there was an expectation that financial service providers were providing more of a 'normal' service by this point in time.

Taking all this into account, I think MHCC hasn't acted fairly. And I think the problems Mr P now finds himself in were to a large extent foreseeable. Mr P was returning a car he'd had under a hire agreement. So there was every chance he'd be taking out another hire agreement. There wasn't an indication he'd be buying a car, which is the only way he would get the number plate back. So how can things be put right?

Mr P doesn't have a vehicle registered to him that he can assign the cherished plate to. So I think the only way for him to properly take ownership of the plate will be for him to buy a vehicle. I'm not intending to direct MHCC to do that for him. But I think Mr P should be compensated for the inconvenience of having to do so. I also think the DVLA fees for assigning the plate to the vehicle should be covered by MHCC. And should Mr P decide he doesn't want to keep the vehicle, if it's sold within three months of purchase I think he should be able to recover the cost to take the plate off, as well as the loss in resale value, if there is any, subject to a certain limit. There's clearly no industry guidance on what this amount should be. But I'm minded to say that any reimbursement for loss in resale value should be capped at £1,000.

As far as I understand, Mr P can only assign the plate to a vehicle that is taxed and has an MOT. So bearing in mind it is likely possible to buy a roadworthy vehicle for a few hundred if not thousand pounds, I think a £1,000 cap for loss is reasonable and safeguards Mr P from losing out financially. Should Mr P sell the vehicle on within three months I think he should also receive a refund of the associated vehicle insurance and road tax. I'm suggesting a three-month time limit because I think this will give enough time to assign and then subsequently take off the plate if that's what he wants to do. If Mr P decides to keep the vehicle, then I'm not intending to direct MHCC to reimburse him for further costs or losses other than compensation and the cost to assign the cherished plate.

I've thought about a fair amount of compensation. Mr P has gone through the upset and worry of finding out MHCC was recorded as the grantee of the complaint, and not having a suitable vehicle to assign the plate to. There's been a lot of back and forth with MHCC. And Mr P is going to be put to the inconvenience of finding and buying another vehicle; insuring and taxing it; potentially having to sell it again; and taking steps to retain the plate. It's not a quick process. So I'm minded to say MHCC should pay him £500. I think this fairly reflects the level of distress and inconvenience caused.

Mr P responded to the provisional decision. I'm not going to repeat everything he said, but in summary:

- I'd not mentioned two conversations he'd had with a staff member at MHCC during which he repeatedly said he wanted his document back in the same order it had been supplied originally.

- He's had to make many phone calls and write lots of correspondence. He should not have the inconvenience of finding a vehicle. He'd not had an apology.
- MHCC had transferred another cherished plate a few months prior to February 2021 without any issue.
- The compensation is not sufficient. He requests a minimum overall compensation of £2,500 or £1,500 and for MHCC to put one of its cars in his name so he can obtain the cherished plate.

MHCC responded to say, in summary:

- It can't see it provided information to Mr P regarding the plate prior to delivery of the car.
- It's not aware of any customers experiencing issues in adding plates to vehicles with the paperwork that's been issued.
- Some customers add themselves as a nominee by sending the paperwork to the DVLA themselves after MHCC has signed it back over to them. MHCC remains the grantee but it would forward on the relevant documents to the customers once the DVLA has supplied it.
- It can amend its email instruction to explain MHCC will be the grantee.
- If Mr P wants to add the plate to another leased car, sell or keep the plate he can send a document to the DVLA adding a nominee. This form will be posted back to MHCC as the grantee, but it would post it back to him. So it doesn't think it's necessary for him to purchase a vehicle.
- It is willing to provide a separate letter to say it holds no interest in the plate.
- There shouldn't be a cost involved if Mr P decides to add the plate to another vehicle.
- It's tried to assist Mr P and provide alternatives. And it told Mr P about the retention process.
- It requests the compensation is reconsidered.

We put MHCC's response to Mr P but he explained he thinks what it said was wrong. He'd spoken to the DVLA around half a dozen times and had been told he either needs to buy a new or second hand vehicle to be able to do what he needs.

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 want to thank both parties for their responses. Having considered everything, I think the recommendations I made in my provisional decision are a fair way forward.

It's quite an unusual situation Mr P has found himself in, that's largely happened due to the unprecedented event of Covid-19. I think MHCC tried to come up with a solution that worked. And MHCC says it has for other customers. I'm also mindful that MHCC did try to warn Mr P how the online process was different to the postal process. Although I have explained why I think it could have been clearer.

Mr P on the other hand has been clear that he wants the plate returning to him as a grantee. Which isn't an unreasonable request. And I find his account of the difficulties he's been facing are credible. He tells us other leasing companies haven't been able to accommodate his request. This seems to be a key issue, or else he could've simply had the plate transferred to a new leasing company. He tells us he's spoken to the DVLA about it many times. I can see our investigator also called the DVLA and was told any trace of the finance company would be removed once Mr P puts the plate on another vehicle, in his name. As

Mr P doesn't have a vehicle at present to do that, what I've said in my provisional decision proposing MHCC cover losses Mr P incurs in buying a vehicle to facilitate the change still seems like a fair way forward. I can't bind Mr P to do something, so if I ordered MHCC to transfer a car to his name for the transfer, I couldn't ensure MHCC would get the car back. So I'm not going to make that direction.

I've also thought about the level of compensation. I appreciate Mr P has had to make many phone calls. But as I've said above, I'm mindful that it was an unprecedented situation, MHCC did try to come up with a solution, and it did try to warn Mr P of what would happen. But as it wasn't particularly clear, I think the situation could have been avoided. In all the circumstances, rather than direct MHCC to apologise, I think the award of £500 is fair and reasonable and acknowledges things could have gone better. I'm not intending to depart from my initial conclusions.

My final decision

My final decision is that I uphold this complaint and direct Mitsubishi HC Capital UK Plc to:

- Pay Mr P £500 compensation.
- Reimburse Mr P any DVLA fees for assigning the cherished plate to a new vehicle on receipt of evidence.

If Mr P decides to sell that vehicle within three months of purchase, Mitsubishi HC Capital UK Plc should also:

- Reimburse Mr P the loss of resale value (up to a maximum of £1,000), vehicle insurance and road tax, on receipt of evidence.
- Reimburse Mr P the DVLA fees for taking the cherished plate off the vehicle, on receipt of evidence.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 November 2022.

Simon Wingfield
Ombudsman