

## **The complaint**

Mr H complains about the amount LeasePlan UK Limited trading as LeasePlan Go (LeasePlan) charged when he returned his vehicle.

## **What happened**

Mr H entered into a hire agreement for a new vehicle with LeasePlan in September 2019.

In 2020 Mr H applied for and was given two payment deferrals as his income had been affected by the Coronavirus pandemic (Covid-19). Mr H's payments were deferred for a total of six months.

In May 2021 Mr H asked for a quote to terminate the agreement early, and LeasePlan sent Mr H an email with an indicative early termination quote of £745.

Mr H continued with the early termination of his agreement in May 2021, and when the car was collected LeasePlan told him the outstanding balance was £3,228.50. Mr H complained to LeasePlan as they'd told him he'd only need to pay £745 to end the agreement.

LeasePlan sent Mr H their final response to his complaint in August 2021. They said the adviser that provided the figure of £745 hadn't realised that six of Mr H's payments had been deferred as a result of Covid-19. They said the conditions of the deferral set out that any deferred payments would need to be made after the termination of the agreement, and this is why the full charge was £3,228.50. LeasePlan offered Mr H £200 compensation for the inconvenience caused.

Unhappy with this, Mr H brought his complaint to this service for investigation. He said he'd asked LeasePlan to confirm that £745 was all he'd need to pay, and they had done so. Mr H said if he'd known the figure was higher, he might've come to a payment arrangement instead.

Our investigator gave his view that when the payments were deferred, LeasePlan made Mr H aware that the payments would need to be paid when the agreement ended, so it wouldn't be fair to ask LeasePlan to reduce the outstanding debt. He said LeasePlan gave Mr H incorrect information when he asked to end the agreement, but he felt the £200 offered by LeasePlan was fair compensation for the mistake.

Mr H didn't agree. He said he received the figure of £745 to terminate the agreement twice in writing, and so LeasePlan should honour this. Mr H said he believes he's paid enough money for the car, and it was returned in excellent condition and below the mileage allowance.

As an agreement can't be reached, the case has been passed to me for a decision.

## **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.

Mr H was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

There's no dispute that LeasePlan provided Mr H with unclear or incorrect information when he asked to end the agreement early. They told Mr H he'd need to pay £745 when ending the agreement, but they didn't add the six deferred payments to the early termination quote.

Mr H says that LeasePlan should honour the mistake and accept £745 in settlement of the agreement.

When a business makes an error, we expect them to place the consumer back in the position they would have been in, if not for the error (as far as possible).

I've seen the emails sent by LeasePlan to Mr H when they agreed to defer his payments as a result of Covid-19, and I'm satisfied that these clearly explained that Mr H would need to repay the amount deferred once the agreement was terminated, or after the last full invoice had been billed at the end of the hire agreement.

If LeasePlan hadn't made an error in the figure it gave Mr H, they would've included the six deferred payments, and so I'm satisfied that these remain payable by Mr H and it wouldn't be reasonable to ask LeasePlan to accept a reduced amount because of the mistake.

Mr H was put to distress and inconvenience by being given an incorrect sum. Once he'd handed the car back and received the correct settlement figure this came as a surprise and left him concerned about how he'd be able to meet a large payment. LeasePlan have offered Mr H £200 compensation in recognition of this. All things considered, I think this fairly compensates Mr H for the distress and inconvenience caused.

Mr H said if LeasePlan had given him the correct figure when he asked to end the agreement early, he might've arranged a repayment plan instead. LeasePlan offered to set up a payment plan for Mr H, so he may wish to contact them to discuss this option if he requires it.

Mr H said he'd paid enough toward the car at the time it was returned. Mr H had use of the vehicle while his payments were deferred, so whilst I appreciate that Mr H felt he'd paid enough toward the car, I'm satisfied that the deferred payments still needed to be made at the time the agreement was terminated.

Mr H has said that the car was returned below the allowed mileage. Whilst I accept that the mileage allowance wasn't exceeded, and Mr H had used the car less than he'd expected to as a result of Covid-19, there is nothing in the agreement terms that say LeasePlan must take unused mileage into account when the agreement ends.

### **Putting things right**

For the reasons outlined above, I'm satisfied that the six payments that Mr H deferred remained payable at the end of the agreement. Mr H may wish to ask LeasePlan about a payment arrangement for the remaining amount owed under the agreement.

LeasePlan gave Mr H incorrect information about what he'd need to pay when the agreement was terminated, and they should pay Mr H the £200 offered in compensation for the error.

**My final decision**

My final decision is that I uphold this complaint, and LeasePlan UK Limited trading as LeasePlan Go must pay Mr H £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 September 2022.

Zoe Merriman  
**Ombudsman**