

The complaint

Mr W complains about the additional rental that he's been charged by Mercedes-Benz Financial Services UK Limited, trading as Mercedes-Benz Finance, under a hire agreement when there was a delay in the car being collected from him. His relative is also involved in his complaint.

What happened

I issued a provisional decision on this complaint in June 2022 in which I described what had happened as follows:

"A new car was supplied to Mr W under a hire agreement with Mercedes-Benz Finance that he signed in September 2017. The agreement ended in September 2020 but the car wasn't collected from his relative until October 2020. Mercedes Benz Finance charged Mr W for additional rental of £418.44 plus VAT, damage to the car of £884.22 and £1,733.82 plus VAT for excess mileage. Mr W accepted the damage and excess mileage charges but complained to Mercedes-Benz about the additional rental charge.

It credited £76.08 to Mr W's account for the five days between the end of the agreement term and the date that the third party that it had instructed to collect the car first tried to make contact to arrange collection of the car. Mr W wasn't satisfied with its response so complained to this service.

Our investigator didn't recommend that his complaint should be upheld. She felt that it was fair that the charges for additional usage stand, as the car was collected over a month after the agreement ended and the third party had attempted to make contact to arrange collection. She couldn't see anything that persuaded her that Mr W had been treated unfairly.

Mr W's relative, on his behalf, has asked for this complaint to be considered by an ombudsman. She says, in summary, that;

- she asked Mercedes-Benz Finance how she should go about handing back the car but she wasn't told that she would need to remove the private registration plate;*
- there was only one call from the third party before the car was collected which was after the hire period had ended and she told it that the car was no longer taxed so the third party told her that it would need to be collected by a flatbed transporter; and*
- the third party also told her that she would need to remove the registration plate before the car was collected and she then had to call it to arrange collection".*

I set out my provisional findings in that provisional decision which were as follows:

“The hire agreement was due to end in September 2020. Mercedes-Benz Finance has provided evidence to show that the third party that it had instructed to collect the car first tried to make contact with Mr W’s relative five days after the end of the hire period. Mercedes-Benz Finance hasn’t provided any evidence to show that it contacted Mr W about the end of the hire agreement before then. The vehicle return standards were included in the hire agreement and said:

“When it is time to return your vehicle whether that is at the end of the period of hire or earlier (when requested to do so), you must return the vehicle in line with the Vehicle Return Standards”.

The hire agreement didn’t set out the process that was required for the return of the car and I consider that it would be reasonable to expect Mercedes-Benz Finance to have contacted Mr W before the end of the hire period to explain that process to him. The vehicle return standards did refer to DVLA advice that cherished number plates should be placed on retention at least ten to twelve weeks before the end of the agreement. But, if Mercedes-Benz Finance had explained the return process to Mr W, he would have been reminded that he needed to remove the private registration plate before the car was collected from him.

Mercedes-Benz Finance has provided contact notes which show that Mr W’s relative was first contacted about the collection of the car five days after the end of the hire period. Mercedes-Benz Finance credited £76.08 to Mr W’s account for the additional rental for those five days. The notes show that Mr W’s relative told it that the car had a private registration plate. Mr W’s relative says that she arranged for the private registration plate to be removed and then tried to contact the third party several times to arrange the collection and that she also contacted Mercedes-Benz Finance. That will have delayed the collection of the car.

The contact notes show that the third party was aware that the private registration plate had been removed seventeen days after its first contact with Mr W’s relative. The notes show that the collection of the car was then scheduled for a further fifteen days later. It’s clear that the private registration plate hadn’t been removed from the car at the end of the hire period which contributed to the delay in the car being collected. But I consider that it’s also clear that Mercedes-Benz Finance and the third party have also contributed to the delay in the car being collected. I also consider it to be more likely than not that the delay would have been avoided if Mercedes-Benz had explained the collection process to Mr W before the end of the hire period.

The car’s tax had expired and the contact notes show the car as a “non-runner” so I consider it to be unlikely that Mr W or his relative were using the car after the end of the hire period and I’ve seen no evidence to show that they did use the car after the hire period ended. I don’t consider that it’s fair or reasonable in these circumstances for Mercedes-Benz to charge Mr W for any additional rental. I find that Mercedes-Benz Finance should remove any additional rental charges from Mr W’s account”.

Subject to any further representations by Mr W, his relative or Mercedes-Benz Finance, my provisional decision was that I intended to uphold this complaint. Mercedes-Benz Finance has agreed with my provisional findings.

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.

As Mercedes-Benz Finance has agreed with my provisional findings, I see no reason for me to change my provisional decision.

Putting things right

I find that it would be fair and reasonable in these circumstances for Mercedes-Benz Finance to remove any additional rental charges from Mr W's account.

My final decision

My decision is that I uphold Mr W's complaint and I order Mercedes-Benz Financial Services UK Limited, trading as Mercedes-Benz Finance, to remove any additional rental charges from Mr W's account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 September 2022.

Jarrold Hastings
Ombudsman