

The complaint

Mrs B is unhappy how Ald Automotive Limited dealt with an extension to a hire agreement.

What happened

In September 2019, Mrs B was supplied with a new car through a hire agreement with Ald. She paid an advance payment of £841.75 and the agreement was for 36 months, with monthly rental payments of £280.56.

In August 2022, just before the agreement was due to expire, Mrs B sent Ald a request to extend her agreement and paid a £150 fee for the extension. However, she sent this request to an incorrect email address, and Ald never received it. As such, Ald started contacting Mrs B for the return of the car. Mrs B wasn't happy about this and complained to Ald.

Ald explained that they hadn't received Mrs B's request for an extension. But they agreed to honour the request as if they had received it. And the agreement was extended. However, Mrs B continued to receive requests to return the car.

Mrs B brought her complaint to the Financial Ombudsman Service for investigation. Our investigator said that as Ald hadn't initially received the request to extend the agreement, then they acted reasonably by asking Mrs B to return the car. However, the investigator said that any request to return the car made after 18 November 2022 was unreasonable, as Ald had agreed to extend the agreement at this point. The investigator said this was caused by an admin error, and Ald had apologised for this. But she said that, due to the stress and anxiety caused by their error, they should also pay Mrs B £100 compensation.

Mrs B didn't agree with the investigator. She was unhappy with Ald's requests, for example asking for the car to be returned with an MOT; that they made a mathematical error on the extension agreement which she had to point out to them; and that she had rung them within their office hours, only to hear a message saying they were closed. She was also unhappy that Ald had started to send her correspondence about the car around nine months before the contract was due to end, which *"affected the enjoyment of my lease."*

Mrs B says that she can't be the first customer to make a mistake and use the wrong email address, and she thinks that Ald should've had a process in place to make her aware of this. But instead they sent her late payment invoices. And she wasn't happy that, when they called her about this, they asked her to provide information to pass their security check. She said *"they could have been anyone demanding personal information"* and this process *"makes life easier for crooks and scammers!"*

Additionally, Mrs B wasn't happy with how Ald dealt with her complaint. And she thinks that Ald's requests to return the car, after the agreement had ended but before it was extended, was intimidating and unprofessional behaviour. Because of this, she thinks that the £100 compensation is *"grossly unfair and insulting"* because of the time she's had to spend dealing with this matter, and because she's been *"severely punished financially, physically, and mentally for what was clearly one genuine typographical error when [Ald] made a number of mistakes themselves."*

To resolve her complaint, Mrs B would like Ald to offer her the opportunity to purchase the car, to stop referring to the monthly invoices as late hire invoices, and to provide a written apology.

The investigator said that Mrs B's comments didn't alter her view. So, this matter has been passed to me to make a final 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time. Mrs B was supplied with goods under a hire agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

The facts of this case aren't disputed, so I won't repeat them here. Nor is it disputed that Ald got things wrong by still asking Mrs B to return the car after they'd agreed to extend the agreement in November 2022. So, my decision will focus on what I think Ald need to do to put things right.

While I've noted Mrs B's comments about the incorrect email address, I don't think it's reasonable to expect Ald to have provided an 'invalid email address' response to Mrs B's email. I say this because, although Mrs B only got the email address incorrect by a single character, for Ald to set up an automated response, they would need to do this for every combination of invalid email address that someone could possibly use. And I don't think this is practical for any company to put in place.

Given this, although Mrs B genuinely believed that she'd put in a request for an extension in August 2022, Ald hadn't received this, nor had they received any indication that Mrs B was arranging to return the car to them. As such, Mrs B would rightly find any requests to collect the car unwanted and unacceptable.

However, even though Mrs B may not have wished to have received this correspondence, Ald were making factual statements based on the information they had available to them at the time, and it doesn't make them threatening. I've seen no evidence that Ald's contacts were excessive in the circumstances and I'm therefore satisfied that Ald acted reasonably by following their process and contacting Mrs B about the return of the car.

I also think it was reasonable for Ald to start to contact Mrs B some months before the agreement was scheduled to end. This was done for information purposes, to advise Mrs B of her options, when the agreement came to an end, and what she would need to do to return the car. I've seen the terms and conditions Mrs B agreed to and these say:

3.2 The Customer will Submit the Vehicle for MOT testing at an approved garage prior to the expiry of any test certificate (or prior to the date required by law).

The car was first registered on 1 August 2019 and so, by law, it would need an MOT on 1 August 2022. And term 3.2 requires the MOT to take place before this date. However, the agreement ran until September 2022. So the car wasn't due to be returned until after the date the MOT was required. As such, I don't think that Ald were unreasonable in reminding Mrs B that an MOT was needed before the car was returned to them.

Taking all of this into consideration, I don't think that Ald acted unreasonably with how they dealt with their end of the agreement process, or in asking Mrs B to return the car, prior to them receiving and agreeing the request to extend the agreement.

With regards to Ald asking Mrs B to confirm personal information when they called her, they have a legal obligation to protect customer's personal data. So, I'd expect them to ask Mrs B security questions to establish they were speaking to the agreement holder before they discussed the agreement and what was happening. And I'm satisfied that, in doing so, they were protecting Mrs B, and not making things easier for 'crooks and scammers'.

Mrs B is also unhappy with how Ald dealt with her complaint. The Financial Ombudsman Service is only able to consider complaints about regulated activities, and this doesn't include complaint handling. So, while I appreciate Mrs B's depth of feeling about this, it isn't something I'm able to consider as part of my overall decision.

From the correspondence that's been provided, I've also noted that the issue with the agreement extension happened at a difficult and emotional time for Mrs B personally, and when she was suffering from health issues. And it's clear from what I've seen that she was impacted by this. However, when looking at what Ald should do to put things right, I will only be asking them to compensate Mrs B for the impact of their incorrect actions – contacting her in error asking about the return of the car after they'd agreed to extend the agreement in November 2022.

From what I've seen, it's my understanding that this was a small number of letters and calls over a short space of time. And, while this would exacerbate how Mrs B was feeling, I think this had a limited direct impact. And I'm satisfied that the £100 recommended by the investigator is in line with what I would've directed, had it not already been recommended. And I've seen no compelling reason as to why I should change this.

Mrs B would like Ald to offer her the opportunity to purchase the car. I haven't seen anything in the terms and conditions that Mrs B agreed to which gives her the right of purchase. And this right isn't usually included in a hire agreement. So, I won't be asking Ald to offer this. However, if this is something that Ald are able and want to do, then I'd expect them to make this option available to Mrs B within a reasonable time before the end of the agreement extension.

Mrs B would also like Ald to change their process as to how they refer to their letters. It's not the role of the Financial Ombudsman Service to tell a financial business what procedures and processes they must put in place – this is something the financial business will do in conjunction with their regulator, the Financial Conduct Authority. As such, I won't be asking Ald to alter any of their processes.

Putting things right

Given the above, I'm satisfied that Ald acted unreasonably by contacting Mrs B about the return of her car, after agreeing an extension to the agreement. Given the distress and inconvenience this correspondence caused Mrs B, Ald should pay her £100 compensation.

My final decision

For the reasons explained, I uphold Mrs B's complaint, and Ald Automotive Limited should follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 1 June 2023.

Andrew Burford
Ombudsman