

The complaint

Mr and Mrs H complain LeasePlan UK Limited trading as Leaseplan has stopped sending them invoices for their regular rental payments on request, after previously having done so. The complaint has been brought primarily by Mr H, so I will refer mainly to him in this decision.

What happened

Mr and Mrs H jointly entered a consumer hire agreement with Leaseplan for a car in June 2021, with a minimum term of 48 months.

In October 2021 Mr H requested monthly rental invoices from Leaseplan. A member of staff emailed him to say that because it was a personal hire agreement, Leaseplan didn't generate monthly invoices and would instead send him a yearly statement. However, the member of staff also said that monthly invoices could be provided on request – he would just need to email every month.

So Mr H began requesting invoices regularly, and Leaseplan would send them to him. This changed in February 2023, when in response to one of Mr H's regular requests, he was told something different. Leaseplan said that its policy was not to provide invoices on a personal hire agreement, apart from invoices for road fines and road tax. It apologised and said the previous invoices had been sent to him in error. Leaseplan went on to say that it could send him a statement of account, but that if he wanted invoices he should "contact your broker and ask them to change your contract".

Mr H complained to Leaseplan. He considered the company was being difficult and that it in any event it had a legal obligation to provide him with invoices. He was also worried that Leaseplan had been sending invoices to his broker. Leaseplan rejected the complaint. It said it had spoken to its legal team who had told it that it wasn't legally-required to send the invoices unless it was leasing a vehicle to a VAT registered company.

Mr H responded to say that his complaint hadn't been answered, he had had to send many emails and make many phone calls, and it still hadn't been explained why Leaseplan wouldn't send VAT invoices after previously providing them. He also said he was going to report Leaseplan for breaching data protection requirements.

Leaseplan repeated that it wasn't legally required to send Mr H invoices – it clarified that it hadn't sent any invoices to his broker so it didn't think there had been any data breach, and offered to look into the question of Mr H having to email and call many times, if he would provide details of the emails and number he called from.

At this point, Mr H referred his complaint to the Financial Ombudsman Service for an independent assessment. One of our investigators looked into the matter, and came to the following conclusions:

- There was no legal requirement for Leaseplan to send Mr H VAT invoices for each of his rental payments.

- Leaseplan had made a business decision to stop sending him these invoices, which wasn't unfair in the circumstances.

Mr H asked to appeal our investigator's assessment – he said the issues he'd raised hadn't been addressed, and made the following points:

- This wasn't about the VAT – it was about receiving an invoice for what he had paid out. Was he entitled to a receipt for his payment or not?
- Leaseplan had repeatedly been trying to give him tax advice, which he didn't know if they were regulated for.
- No comment had been made about Leaseplan having sent invoices in error for 18 months.

Our investigator tried to get hold of Mr H to discuss and understand his points, but she was unable to reach him over the phone over a period of several months. Mr H then explained that it was difficult for him to be available for calls and asked to correspond by email if possible. Our investigator emailed back to ask that Mr H provide any further points or information he wanted the ombudsman to consider, by 12 March 2024. We have not received any further submissions from Mr H (or Leaseplan).

The case has now been passed to me to decide.

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.

The first question I've considered is whether or not Leaseplan either had an obligation to send Mr H invoices for his regular payments (either legally or contractually), or whether it would have been in line with industry good practice for it to do so.

The agreement Mr and Mrs H entered with Leaseplan is what is known as a regulated consumer hire agreement. Such agreements are regulated by the Consumer Credit Act 1974 ("CCA"), which sets out Leaseplan's legal responsibilities to provide information to Mr H.

Section 79 of the CCA is titled "Duty to give hirer information". Subsection (1) reads as follows:

"The owner under a regulated consumer hire agreement, within the prescribed period after receiving a request in writing to that effect from the hirer and payment of a fee of £1 shall give to the hirer a copy of the executed agreement and of any other document referred to in it, together with a statement signed by or on behalf of the owner showing, according to the information to which it is practicable for him to refer, the total sum which has become payable under the agreement by the hirer but remains unpaid and the various amounts comprised in that total sum, with the date when each became due."

This doesn't entitle Mr H to receive the type of invoices he's asked for, but the requirements in the legislation are not the end of the matter, so I have also considered Mr H's contract with Leaseplan, along with industry guidance from the British Vehicle Renting & Leasing Association ("BVRLA").

Mr H's contract with Leaseplan doesn't appear to say anywhere that Leaseplan will send him invoices for each of his regular payments. It does suggest however that Leaseplan would

send invoices for fees outside of his regular payments, for example in relation to traffic fines. I can see Leaseplan did send Mr H and Mrs H invoices when it needed to deal with traffic fines on their behalf.

The relevant BVRLA guidance for leasing does not state anywhere that it would be expected for a leasing company to provide invoices for each payment which became due under the agreement. I will also say that, in my experience, it is not a normal practice for a financial business to send an invoice or a receipt for each regular payment which comes due under a hire agreement. The amounts of these payments, and when they are to be paid, are set out in the agreement itself which will have been signed by all parties, so I think it would be reasonable for a financial business to consider it unnecessary to send invoices for these.

I would contrast this with scenarios where a payment is “unexpected” in the sense that it is not one of the regular payments under the agreement, but the need for it to be paid has arisen as a result of something which has happened – examples could include where the business has needed to deal with a traffic fine, or a vehicle has been returned with unacceptable damage or a higher than agreed mileage. In these scenarios it would be reasonable to expect an invoice to be sent.

Customer Service

While I don’t think Leaseplan was under any obligation, or that it would have been the expected practice, to send Mr H invoices or receipts for his regular payments, he rightly points out that Leaseplan chose to do so on request for many months, and then refused to send any more. I can understand why this annoyed Mr H.

What appears to have happened is that Leaseplan made an exception and went outside of its usual policy to send Mr H invoices for his regular payments. This certainly seems to be the case from the initial email Mr H received which stated that invoices were *not* generated on personal hire contracts, but that if he emailed in to request invoices they could “retrieve these documents from one of our accounting systems”. Eventually, however, Leaseplan decided to stop doing this. I don’t think it was unfair or unreasonable for it to do so especially given it appears always to have been making an exception. I do think it could have explained things better – I don’t think simply describing the statements as having been sent “in error” was particularly helpful for example – as I think it’s more likely Leaseplan changed its mind about sending Mr H the invoices on request.

Mr H has asked why Leaseplan kept trying to give him tax advice. I don’t think it was trying to give him tax advice, I think it was just trying to provide examples of customers who they would send regular payment invoices to.

I understand Mr H is taking up his data protection concerns elsewhere, so I make no findings about these issues in my decision.

Overall Conclusions

Mr H was not entitled to receive invoices or receipts for his regular monthly lease payments, either under the CCA, the consumer hire agreement, or as a matter of good industry practice. Leaseplan did inform Mr H, in October 2021, that it didn’t send regular invoices on personal hire agreements. It did send him such invoices for a period of time, in response to regular requests from him, but did not act unfairly or unreasonably in deciding to stop doing so. It could have given a better explanation of what had happened and why it would no longer send Mr H invoices, but I don’t think it would be reasonable to award compensation in the circumstances.

My final decision

For the reasons explained above, I do not uphold Mr and Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 12 April 2024.

Will Culley
Ombudsman