

The complaint

Mr N has complained about how he's been treated by Mercedes-Benz Financial Services UK Limited, trading as Mercedes Benz Financial Services ('MBFS'), regarding a finance agreement he entered into with it.

What happened

Mr N entered into a finance agreement with MBFS for a used car. Unfortunately, it was faulty, so MBFS agreed that it could be rejected, and the agreement be rescinded. The following settlement was offered, and Mr N accepted it:

- settlement of the finance agreement with no negative impact on his credit file;
- collection of the car at no cost to Mr N;
- refund of his deposit of £5,500, plus 8% simple interest;
- refund of a partial settlement of £1,000;
- refund of 15% of his monthly repayments from September to December 2023, totalling £411.80; and
- compensation of £350 for any inconvenience caused.

Mr N is unhappy with this, and feels he was coerced into accepting it, despite his request for a higher percentage of his repayments from September to December to be refunded. He feels abandoned by MBFS. He's also explained his car was kept at the dealership for an extended period while it investigated the issues, and he wasn't offered a courtesy car. It took excessively long to sort things out.

Further, Mr N received a letter requesting payment of his January instalment, despite the agreement having ended by then.

One of our investigators looked into what had happened, but was satisfied the settlement was fair. He didn't think there was any evidence of coercion. As regards the January repayment, he considered this to be a clerical error, and thought MBFS's offer of a further £150 compensation was fair to address this.

Mr N disagreed, and asked that his complaint be passed to me.

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 agree with our investigator's conclusion, and for the same reasons he gave. I know this will be very disappointing for Mr N, but I'm satisfied that the settlement was

fair, and in line with the type of award I'd have made. I haven't seen any evidence of coercion, although I accept Mr N feels strongly about this. I also think the offer of a further £150 is fair as regards the request for the January repayment. I leave it to Mr N to decide whether, on reflection, he'd like to accept this, if he hasn't already.

My final decision

It's my final decision that Mercedes-Benz Financial Services UK Limited, trading as Mercedes Benz Financial Services, has behaved fairly. I leave it to Mr N to decide whether he'd like to accept its offer of the further £150 compensation, if he hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 21 November 2024.

Elspeth Wood
Ombudsman