

## The complaint

Miss D has complained that she is unhappy with the outcome of a change of contract request – and the length of time taken to deal with it - made to Arval UK Limited, trading as Hyundai Contract Hire (“Arval”) in relation to a contract hire agreement she took out in September 2021. Miss D is also unhappy that Arval has passed on to her an increase of £42 in the cost of the road tax.

## What happened

Miss D took out a contract hire agreement for a new Hyundai in September 2021. The term of the agreement was 48 months, and there was an initial rental of £709.24, followed by 47 monthly payments of £236.41. The agreement could continue after the expiry of the 48 months at a monthly cost of £246.26. The agreement also allowed for a mileage of 48,000 over the 48-month term.

Miss D said she had been told that she could change the mileage allowance in the contract at any point, and this would be reflected in the monthly rental. But after considering a large reduction in the mileage, Arval said the monthly payments would only reduce by £8. She also said that the car broke down and, after agreeing to collect Miss D free of charge, Arval later invoiced her. But, after she complained, Arval accepted this was an error. Miss D also said she was told that Arval would pay the road tax, but that she had now been charged an additional £42 in this respect. Miss D said that the monthly repayments are large for a car she doesn't use as much.

Miss D has sent in Arval's final response letters relating to her complaints about the mileage amendment and the additional road tax. However, neither letter refers to the breakdown charge, and as Miss D hasn't provided any further information on this point either, I have taken it that this specific issue has been resolved, and I have not considered it further in this decision.

With regard to the mileage amendment, Arval said in its final response to Miss D that “*The future value of the vehicle is taken into consideration when re-contracting. A change in the mileage of the vehicle would not affect the future value of the vehicle enough to alter the quote you have been given*”, and it that did not uphold her complaint. However, this final response letter was issued on 17 November 2022, and Miss D did not bring her complaint to this service until June 2024. Miss D did send in some information on why she didn't refer this part of her complaint to us any earlier.

With regard to Miss D's complaint about her road tax, Arval said in its final response letter of June 2024 that the hire contract *did* include the annual vehicle tax in the rental payment, at the level applicable on the date of the agreement, but it included a provision that if the cost changed Arval would pass on a reduction or increase. So again it didn't uphold her complaint.

As Miss D was unhappy with Arval's responses, she brought a complaint to this service. Our investigator looked into it but concluded that the first part of Miss D's complaint had been brought to us outside the time limits this service has to apply, and that the second part of

Miss D's complaint should not be upheld. Miss D disagreed, and asked for the complaint to be reviewed by an ombudsman.

### **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.

I've decided that I don't have the power to consider the first part of Miss D's complaint, and that I do not uphold the second part of her complaint. I'll explain why.

I've first looked at Miss D's complaint about the mileage allowance change and the effect on the monthly payments.

This service can only consider a complaint if it falls within certain criteria laid down in the case-handling rules we have to apply. These are found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority Handbook – this can be found online, or we can provide a copy on request.

The rules include certain time limits. One of these means that - unless there are exceptional circumstances, or the business consents - I can't consider a complaint if it's referred to this service more than six months after the date on which the respondent sent the complainant its final response letter advising them they may refer the complaint to this service. Dispute Resolution rule 2.8.2R(1) can be found in the regulator's handbook of rules and guidance.

Arval issued its final response letter on 17 November 2022, in response to Miss D's original complaint. The letter also said that, if Miss D wasn't happy with the response, the complaint could be referred to this service within six months of the date of the letter (so by 17 May 2023). But Miss D didn't bring her complaint to this service until 18 June 2024. And the final response states that Arval does not consent to us looking at this complaint after the six-month period has expired.

I am allowed to investigate complaints referred outside of the time limits if I'm satisfied the delay was due to exceptional circumstances which prevented Miss D from referring her complaint to us in time. So I have considered whether exceptional circumstances apply here.

Miss D has told us that in 2021 she was in a protracted dispute with her landlord, and had a number of other personal difficulties after that. I have not set the details out here, but I have read and considered all of the information she provided. Clearly Miss D has had a very difficult time over recent years, and I do appreciate how much this will have affected her.

However, I also have to take account of the fact that Miss D was able to deal with the landlord dispute. So I don't think her other personal issues – difficult though they were – prevented her from also contacting this service to register the complaint about Arval. I also note that the timeframe Miss D mentioned seems to be earlier than the deadline for registering this complaint. So although I understand Miss D feels very strongly about this, I can't fairly conclude that exceptional circumstances apply here.

As a result, I've concluded that I don't have the power to consider this part of Miss D's complaint. I understand that Miss D will find this very frustrating. But as I've concluded that exceptional circumstances don't apply, and as Miss D referred this element of her complaint to us after 17 May 2023, we aren't able to help with it.

Turning to the second part of Miss D's complaint – that relating to the increased road tax - I have looked at the relevant section of the hire contract.

Section 8 – Vehicle Tax – is as follows:

*“We will pay the cost of the annual vehicle tax for the Vehicle. This cost is included in the amount of the monthly Rentals using the cost applying on the date of this Agreement. If this cost changes while You have the vehicle, We will reimburse You the reduced cost if the cost of the annual vehicle tax reduces, and You will pay Us on demand the extra amount if it increases.”*

I can also see that this is referred to in the ‘key information’ section earlier in the contract.

The contract was based on the cost applicable in 2021, and provides for both increases and decreases in the road tax charge. Arval has simply acted in accordance with the terms of the contract. And I note that this particular point was included in the key information section to highlight it. Overall I can’t see anything to suggest that Arval has acted unfairly here. So although I appreciate that Miss D feels very strongly about this, I have decided not to uphold this part of Miss D’s complaint.

Finally, I note Miss D mentioned that she feels the monthly repayments are large for a car she doesn’t use as much. Looking at the contract, the terms were set out clearly enough and were accepted by Miss D at the time. But I think this largely relates to Miss D’s unhappiness about the mileage amendment and the relative change in payments, and I have already set out above why I can’t look at this part of Miss D’s complaint.

### **My final decision**

For the reasons given above, I have decided that I don’t have the power to consider the first part of Miss D’s complaint, and that I do not uphold the second part of her complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss D to accept or reject my decision before 10 January 2025.

Jan Ferrari  
**Ombudsman**