

The complaint

Mr S complains about charges he was asked to pay when his car was damaged, and it wasn't possible to return it at the end of a lease he had been financing through an agreement with Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions (Novuna).

What happened

Mr S took receipt of a new car in May 2022. He financed the deal through a two-year hire agreement with Novuna. The car was due to be returned when the lease ended in May 2024.

In February 2024 Mr S was involved in an accident in which there was damage to the front bumper and grill of the car. His insurer arranged a repair, and the car was taken to their nominated garage in March 2024. Unfortunately, the parts required to fix the car didn't arrive until after the lease was due to finish. When Mr S asked for Novuna's help they explained that the car needed to be returned to them in a good condition. They said that in such circumstances they would extend the lease until it was returned but they didn't agree to end the lease early.

Mr S was upset that he'd had to pay about £583 to cover the lease extension and he thought it unfair for Novuna not to allow the lease to be terminated early. He said they were aware of parts shortages and should have told him about that before he entered into the agreement with them.

Mr S referred his complaint to this service but as our investigator didn't think Novuna had been unreasonable, he has asked for a final decision 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 know it will disappoint Mr S, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr S acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of Mr S's finance agreement explained that the car should be returned in a good condition. Novuna explained that they wouldn't accept the return of a vehicle that wasn't road safe.

I can understand Mr S's frustration that that wasn't something that was explicitly referred to in the finance agreement but it's usual practice not to accept a car back that can't be driven, and I don't think that was unreasonable here. Had Novuna agreed to terminate the agreement early they would face a loss as they wouldn't be able to sell the car on until it was repaired. That wouldn't seem fair as it wasn't their fault the car had been damaged. I don't think it would be fair to suggest they had to accept the car back at the end of the original lease either as it wasn't roadworthy and the insurers were dealing with the repair. It seems to me that, in those circumstances, an extension of the lease was required. Any losses Mr S incurred as a result would be for him to discuss with the insurer.

I'm not persuaded that Novuna were obligated to tell consumers there may be delays with part supplies post COVID. Mr S says that if they had done it may have given him pause for thought but I don't think I have sufficient evidence to suggest it would have prevented him from proceeding with the deal and, even if I'm wrong and Novuna were obligated to inform their customers, I don't think it would have changed matters. The parts would still have been delayed.

I understand that Mr S returned the car with less mileage than he was contracted to complete, and that the car had three quarters of a tank of petrol, but there was no agreement to reduce the sums due in those circumstances.

Overall, I don't think Novuna have been unreasonable here and I'm not asking them to take any action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 March 2025.

Phillip McMahon
Ombudsman