

## **The complaint**

Mr R complains about excess mileage charges when his agreement with LeasePlan UK Limited ended.

## **What happened**

In July 2016 Mr R was supplied with a van and entered into a hire agreement with LeasePlan. The rental term was 36 months with monthly rentals of £248.39.

On 1 May 2020 the term was extended to 4 June 2021 with monthly rentals of £223.55.

When the term ended, Mr R retained the car and continued to pay monthly rentals of £223.55.

On 18 October 2024 Mr R purchased the van from LeasePlan and signed a Vehicle Purchase Order. On 31 October 2024 LeasePlan sent Mr R an invoice for excess mileage charges of £2,617.22.

Mr R disputed the charges. He said that when he spoke to LeasePlan in 2019 about extending the term, the LeasePlan advisor told him that he would have to maintain the van if anything went wrong and that he didn't need to worry about the mileage.

LeasePlan issued a final response on 13 November 2024. It said the charges for excess mileage had been correctly applied because Mr R had exceeded the mileage allowance under the agreement.

Mr R remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said that both the initial hire agreement and the modified agreement both clearly set out the annual mileage allowance and stated that excess mileage charges would be due on termination of the agreement.

Mr R didn't agree. He said he'd spent thousands of pounds on the van in reliance on the fact that he'd been told by the LeasePlan advisor not to worry about the mileage. Mr R said that if he knew that the mileage allowance was staying the same, he would never have treated the van as if it was his by replacing the turbo and clutch.

Because Mr R didn't agree I've been asked to review the complaint.

## **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 R, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a 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.

I've reviewed the original hire agreement, the term extension agreement and the invoice for the excess mileage charges.

I haven't been able to listen to the call between Mr R and Vanarama from 2019 because call recordings from this far back are no longer available.

I've therefore made my decision based on the available evidence.

The original hire agreement states that the annual mileage allowance is 8,000 miles. The term extension letter dated 1 May 2020 also states that the annual mileage allowance is 8000 miles. Both documents set out the annual mileage allowance and detail the excess mileage charges applicable if the annual mileage allowance is exceeded.

I can see from the notes provided by LeasePlan that the mileage on the van at the end of the agreement was 117,356 miles. The allowable mileage for the period July 2016 to October 2024 was 66,038 miles. The excess mileage of 31,318 was charged at 4.25 pence per mile excluding VAT as per the charges set out in the agreement. This resulted in excess mileage charges of £2,617.22.

I appreciate that Mr R has said that he was told not to worry about the mileage when he spoke to LeasePlan in 2019. As I've explained above, I haven't been able to listen to the call. But even if Mr R was led to believe on the call that he was no longer subject to an annual mileage allowance, the documents that he was sent subsequently clearly set out the annual mileage allowance and the charges applicable for excess mileage. If this was at odds with what Mr R had been told, then I would've expected him to query this at the time of receiving the term extension agreement. There's no record that Mr R contacted LeasePlan in response to the term extension agreement.

Taking all the available information into account, I'm satisfied that the excess mileage charges have been correctly charged. I won't be asking LeasePlan to cancel them.

Mr R has also made the point that he's paid for repairs to the car. He says he wouldn't have done this if he thought he would have to pay excess mileage charges. I've thought about this. However, Mr R acknowledges that he was made aware when he extended the term that he would be responsible for repairs going forwards. So Mr R knew that he would be responsible for repairs in any event.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 May 2025.

Emma Davy  
**Ombudsman**