

The complaint

Miss K complains that Arval UK Limited won't refund to her the payments that she made for periods when she was unable to use the car that had been supplied to her under a hire agreement.

What happened

A new electric car was supplied to Miss K under a hire agreement with Arval that she electronically signed in October 2022. The initial hire term was two years, Miss K made an initial payment of £5,036.15 and agreed to make 23 monthly payments of £559.57 to Arval. There were issues with the car's battery in May and September 2024 which Miss K says caused the car to be unusable for three months. Miss K took the car to a manufacturer's dealer for the issues to be dealt with and it arranged a rental car for Miss K to ensure that she was kept mobile during the repairs. Arval credited one monthly payment of £559.57 to Miss K and reimbursed her for petrol costs of £173.18 and for additional insurance costs of £9.76.

Miss K complained to Arval and requested compensation that accurately reflected the total period of unavailability and covered her additional expenses. It apologised for the inconvenience that Miss K had been caused but said that, as she was kept mobile during the repairs, it wouldn't look to refund any other lease payments to her. Miss K wasn't satisfied with its response so complained to this service.

Her complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He said that as Miss K had been kept mobile, it wouldn't be reasonable to ask Arval to refund any more monthly payments to her. He also said that the payments made by Arval to resolve Miss K's complaint were fair and exceeded what he would have recommended for the issues.

Miss K didn't accept the investigator's recommendation and she said that it doesn't fully reflect the financial and personal impact she's experienced so she asked that her complaint be escalated for a final decision by an ombudsman. She says, in summary, that her key points of disagreement are about: the unsuitability of the courtesy car and the ethical and practical impact; the restricted freedom and inconvenience, the lost participation in an electric car trial; Arval's staff acknowledging that three months compensation was justified; and her complaint experience being dismissed without call records being reviewed.

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.

There's no dispute that there were issues with the car that was supplied to Miss K or that the manufacturer's dealer arranged a rental car for Miss K to ensure that she was kept mobile during the repairs. Miss K's complaint is about the suitability of the courtesy car that was provided to her and the impact of that on her.

I would expect Miss K to be kept mobile while the car was unusable by her, and I can see that that has happened. Miss K has described in detail her issues with the car and I've carefully considered all that she's said. Arval has refunded one monthly payment of £559.57 to Miss K and it has also reimbursed her for petrol costs of £173.18 and for additional insurance costs of £9.76 and I consider that to be fair and reasonable in these circumstances. I consider that those payments to Miss K are fair and reasonable compensation for the ethical and practical impact of the courtesy car and any restricted freedom and inconvenience caused (although it was Miss K's choice to restrict her use of the courtesy car). I'm not persuaded that the lost participation in an electric car trial justifies any award of compensation in these circumstances.

If Arval was to be required to refund a further two monthly payments to Miss K, that would mean, in effect, that the courtesy car was provided to her free of charge as she wouldn't have made any payments to Arval for the time that she had a courtesy car, and I don't consider that that would be fair or reasonable.

Miss K says that her complaint experience has been dismissed without call records being reviewed. Complaint handling isn't a regulated activity so I'm unable to make any findings about Arval's complaint handling, so I don't consider that there's any need for recordings of Miss K's calls with Arval to be requested.

It's clear that Miss K has strong feelings about her complaint, so I appreciate that my decision will be disappointing for her, but I consider that Arval has responded to the issues with the car fairly and reasonably. I find that it wouldn't be fair or reasonable in these circumstances for me to require Arval to refund any further monthly payments to Miss K, to pay any other compensation to her or to take any other action in response to her complaint.

My final decision

My decision is that I don't uphold Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 8 September 2025.

Jarrold Hastings

Ombudsman