

The complaint

Miss M has complained about the actions of Mercedes-Benz Financial Services UK Limited ('MBFS') at the end of her car finance agreement.

At times, Miss M has been represented in bringing her complaint. But for clarity, I'll refer to all submissions made on her behalf, as having been made by her directly.

What happened

Miss M had a finance agreement with MBFS. At the end, she decided to hand the car back, rather than making the balloon payment. On 26 June 2024, she contacted MBFS to arrange collection from her partner, as she would be away. Unfortunately, there were issues surrounding this, so the car wasn't collected until 16 July 2024. And in the interim, MBFS took the balloon payment on 1 July 2024. This was reimbursed by her bank on 4 July 2024, by way of a direct debit indemnity.

MBFS also charged Miss M £187.20 for additional usage, but then removed this charge. It also reimbursed her a £10 admin fee, and offered her £200 compensation for the distress and inconvenience caused. However, it said she needed to pay charges of £657.40 (constituting £172 in missing service history charges, £25 for a missing V5 and £460.40 for damage).

Unhappy with this, Miss M complained to our service. One of our investigators looked into things.

She was satisfied that the damage charges had been correctly applied, in line with both MBFS's terms and conditions, and the guidelines issued by British Vehicle Rental and Leasing Association (BVRLA), which are the industry standard. This was also the case for the service history, which was incomplete. And even if the car had been collected when the contract ended, Miss M would have been liable for having the due service carried out. Similarly, the V5 wasn't returned, so this was also chargeable.

Our investigator also looked into the delay in collecting the car, and the taking of the balloon payment. She could see that Miss M had obtained the money back swiftly, through the direct debit indemnity. And MBFS had refunded the additional usage charges and a £10 fee, and offered £200 for the distress and inconvenience caused. She thought this had been enough to put things right.

Miss M disagreed, and feels the compensation should be higher.

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. It's clear from the information (including photos) provided that the £657.40 was charged in line with both the terms and conditions

and the BVRLA guidelines.

Further, although there was confusion and possible miscommunication around the car being collected, which led to a delay, and the balloon payment being taken, I think MBFS has done enough to put things right. I'm mindful that Miss M got the money back herself, using the direct debit indemnity. But it's also the case that MBFS offered her £200 compensation to address the issue (as well as a £10 refund and waiving additional usage charges). I know Miss M feels this should be more, and I don't underestimate the effect it's all understandably had on her. But I think £200 is a substantial amount, and in line with awards made by our service.

My final decision

It's my final decision that Mercedes-Benz Financial Services UK Limited has done enough to put things right. I leave it to Miss M to decide whether to accept its offer of £200 compensation, if she hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 June 2025.

Elspeth Wood
Ombudsman