

## **The complaint**

Ms B is complaining about how her hire agreement with Mitsubishi HC Capital UK PLC (“Mitsubishi”) ended and the compensation she’s been paid.

## **What happened**

Ms B entered into a hire agreement with Mitsubishi for a car in 2020. The agreement was for four years and was due to end in October/November 2024. The agreement included a servicing/maintenance package as well.

In August 2024, the car was suffering problems and went to a main dealership for diagnosis. A courtesy car was supplied, and eventually it was rebooked into the same garage to be repaired in October 2024. Unfortunately, this repair couldn’t be completed successfully, and eventually, in December 2024, Mitsubishi told Ms B that it wouldn’t be possible to repair the car, so they would need to end the agreement (which was due to end 22 November 2024 I believe). Ms B had intended to roll the agreement on for longer which the terms and conditions allowed for.

She’d complained in October 2024, and Mitsubishi gave her their final response letter in December 2024 upholding her complaint. They apologised, paid her £200 for the distress and inconvenience, and refunded her all payments since 10 October 2024, the day she’d left the car at the dealership for repairs.

She wasn’t happy with this as a resolution and brought the complaint to our service. An investigator her investigated it and didn’t uphold her complaint, saying it was a fair resolution. Ms B didn’t agree with this, however. She highlighted it had cost her more to arrange for another car over the Christmas period at short notice, and she said Mitsubishi were unhelpful in trying to fix the car, insisting on repairs being done using parts they supplied rather than allowing the main dealer to put new parts in, which was why the agreement had been ended. The case has come to me for a final decision, therefore.

## **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’ve reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven’t commented on any specific point, it’s because I don’t believe it’s affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I’ve reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I’ve had regard to the relevant law and regulations; any regulator’s rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Ms B was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means we’re able to investigate complaints about it.

I empathise with Ms B, but I'm satisfied the resolution provided was fair. The original four-year agreement was ending in November 2024, and her intention was to roll this on. The terms and conditions explained that this could be done, and that this rolling contract could be ended by either party with seven days' notice.

Ms B has explained to us that she has a job which requires her to travel between sites, and it was really difficult in this period without her car. I was sorry to hear this was the case, but I do think this highlights that a rolling short term contract probably wasn't the best option for her if her car was key to her work.

Ms B has some issues with the faults with the car, and the attempts at repair. She was told by the main dealer that the problem was Mitsubishi insisting they use parts that they would supply, and these parts not working. I can also see notes from the garage saying this in the system notes Mitsubishi have provided to us. All I would say is, this car is known for having problems with this part. Ultimately, as the supplier of the car, it's up to Mitsubishi how they wish to repair it, and what parts they want to use.

We can't tell Mitsubishi they should repair a car in a particular way, or with any particular parts. All we can do, is ensure that whatever the outcome, they have treated the customer fairly. I've gone on to think about this. Once it became clear in December that it was not economical to repair the car, Mitsubishi reached out to Ms B to explain that they would need to cancel the agreement. They have refunded her any payments made from 10 October 2024 onwards, refunded her for a dash cam she'd paid for, and given her £200 as compensation for the distress and inconvenience caused by the problems. This is in line with what we'd expect to see a business do.

They confirmed to Ms B that they wouldn't be able to repair the car and asked her to collect her personal belongings from the car, which she did. The slight complication here is that the original four-year agreement has ended while the car was trying to be repaired. In this circumstance, it's fair and reasonable for Mitsubishi to decide that the four-year agreement is ending, so it's not economical for them to spend more trying to repair the car. There is no obligation on them to extend the agreement, past the seven days' notice that either party were required to give to end the agreement at this point.

Ms B was intending to keep the car, but with either party only required to give seven days' notice to end the agreement, this isn't a situation where either party can rely on the other continuing the agreement for a period of time longer than seven days. On this basis, I can understand Mitsubishi not wanting to spend more money trying to repair the car, with potentially very little return for doing this if Ms B then chose to end the agreement.

I'm afraid this is an unfortunate set of circumstances, but I'm satisfied that Mitsubishi have provided a fair outcome. In refunding Ms B from 10 October 2024 onwards, they've recognised she will have had to make alternative arrangements for transport during this period and shouldn't have to pay for the car while it's off the road. They've also refunded her for a dash cam she added to the car, and a further £200 compensation for the distress and inconvenience caused. I wouldn't expect Mitsubishi to cover any and further costs unless they were fair, and I haven't seen any evidence of this. Ms B mentioned that it cost her more money for a car for December 2024 and January 2025, but these months are both after the original contract has ended, so if she relied on a car being available, I would have expected her to have a contract that required longer than seven days' notice to end it.

Ms B has also complained that she paid for an annual insurance policy shortly before the agreement was ended. I'm afraid it is a requirement to have the car insured whilst the agreement is in force, as she's responsible for it during that period, and I'm sure she's been

able to get a refund for all the unused part of the policy once the agreement was ended and she no longer needed it. I'm satisfied that the £200 compensation she's been paid for the inconvenience here includes things like covering any admin fee she may have had to pay when cancelling the insurance policy.

As I said, I empathise with Ms B as the circumstances have been unfortunate with the car failing right towards the end of her agreement. But I am satisfied that the resolution provided by Mitsubishi is fair, and I won't be asking them to do anything more.

### **My final decision**

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 10 July 2025.

Paul Cronin  
**Ombudsman**