

The complaint

Mr C complains that RCI Financial Services Limited trading as Mobilize Financial Services ("Mobilize") charged him rentals under a battery lease agreement after he sold the car.

What happened

In March 2018 Mr C purchased an electric car and entered into a battery lease agreement with Mobilize. The rental under the agreement was £59 per month.

In February 2024 Mr C sold the car and completed the battery transfer paperwork. He gave the paperwork to the dealership to fill in their section and sent to Mobilize. Mr C continued to pay the sums due under the battery lease agreement in March and April 2024 and cancelled his direct debit in May.

In February 2024 the dealership requested a battery purchase price quote from Mobilize. Mobilize provided a quote of £2840.40 to the dealership via email.

Mobilize contacted Mr C in May 2024 and he informed them that he had sold the car to a dealership and believed the dealership was settling the battery lease agreement. Mobilize said it hadn't received funds and provided a battery purchase price quote of £2706.00 to Mr C via email.

Mobilize commenced its collections procedure and continued to chase Mr C for payments due under the battery lease agreement.

Mr C contacted Mobilize and advised them that the car had been sold to a dealership and that the dealership had sent them documentation to transfer the battery instead of purchasing the battery.

Mr C complained to Mobilize. Mobilize didn't uphold the complaint. It said that in order to transfer a battery lease it required a fully completed Battery Transfer Hire Document (BTHD). It said that on receipt of this, a new agreement is proposed in the buyers name and an agreement document is sent which they required to be signed and returned with a direct debit mandate to complete the transfer. Mobilize said that the terms and conditions of the battery lease agreement stated that Mr C remained liable for the battery and the associated rental payments until the transfer process was completed. It said that having spoken with Mr C, it had contacted the dealership and informed them that they required the BTHD and agreement document to proceed with the transfer. The BTHD was returned on 10 July 2024, but it never received a signed agreement. Mobilize said it sent a further copy of the agreement to the dealership in October 2024. Mobilize acknowledged that Mr C was unhappy about the delay in chasing the dealership and said it was crediting two rentals as a gesture of goodwill. Mobilize said it had inhibited the battery remotely on 25 October 2024 to see if this would elicit a response from the dealership. It said that Mr C remained liable for all rentals under the agreement until either a signed agreement was returned, or the battery was purchased. It said it wouldn't waive the arrears or pay compensation.

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

Our investigator upheld the complaint. She said that Mobilize hadn't reviewed Mr C's complaint fairly and said it should refund all payments that Mr C had made towards the battery lease from May 2024 onwards.

Mobilize didn't agree. It said the terms and conditions of the battery lease agreement required a full transfer of the battery to the new owner before the customer could release the vehicle, and that Mr C hadn't fulfilled his responsibilities in this regard.

Because Mobilize 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've reviewed the terms and conditions of the battery lease agreement. Under the section headed "What do I need to do when I sell my vehicle" it states that:

"You must complete the relevant Battery Hire Transfer Document enclosed with this letter and follow the instructions provided on the second page of this document. Its very important that you follow these instructions and ensure we have confirmed that the transfer has been processed before you release the vehicle to your buyer, otherwise you will remain liable for the battery hire payments".

It's not in dispute that Mr C remained responsible for the battery hire payments until the transfer process had been completed.

However, Mr C has stated that he completed the relevant documentation for the transfer of the battery when he sold the car to the dealership. He's given clear and consistent testimony that he handed these forms to the dealership in order that they could complete their section and send the documentation on to Mobilize. I have no reason to doubt what Mr C has said here. I also think it was reasonable of Mr C to continue making the battery hire payments for a further two months to allow time for the transfer paperwork to be processed by Mobilize.

It's clear from what Mobilize has said in its final response that it was aware in February 2024 that a dealership had purchased the car from Mr C. Mobilize has said that it provided a battery purchase price quote to the dealership but didn't receive any funds or transfer paperwork. I haven't seen any evidence that Mobilize followed up with the dealership or chased them for the transfer documentation, even though it was aware that the car was no longer in Mr C's possession and Mr C had advised that the paperwork was with the dealership.

Although Mr C was liable under the agreement, Mobilize knew that the car had been sold to the dealership. Mobilize had the power to inhibit the battery and could've done so much sooner than it ultimately did. Mobilize took over 6 months between knowing that the car had been sold to the dealership and inhibiting the battery. It charged Mr C rental payments throughout this time. I don't think Mobilize acted fairly or reasonably in the circumstances.

Taking everything into account, I don't think Mobilize acted fairly by continuing to charge Mr C for rental payments when it knew that the car had been sold to the dealership. Mobilize could have done more to chase the dealership (as it acknowledged in its final response letter) and it could have inhibited the battery much sooner.

For these reasons I agree with the investigator that Mobilize should refund payments from May 2024 onwards.

Putting things right

To put things right Mobilize should:

Refund/Credit all payments made by Mr C from May 2024 onwards and pay 8% interest per annum from the date of the payments to the settlement date.

Remove any adverse information from Mr C's credit file.

My final decision

My final decision is that I uphold the complaint. RCI Financial Services Limited trading as Mobilize Financial Services must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 July 2025.

Emma Davy
Ombudsman