

## **The complaint**

Mr D is unhappy with how LeasePlan UK Limited handled his account when his hire agreement ended.

## **What happened**

Around November 2021 Mr D entered into a hire agreement with LeasePlan to acquire a new car. The agreement was for 36 months, with Mr D due to make monthly rental payments of £302.87.

The mileage allowance under the agreement was 6,000 per year.

Towards the end of the agreement in October 2024, Mr D purchased the car. But he said LeasePlan caused several issues when going through this process and he complained.

Mr D said LeasePlan had taken a monthly payment when it should not have after he'd already bought the car. He said he was told an early termination fee wouldn't apply over the phone. And he said he'd been incorrectly billed for excess mileage as his contract didn't set out any charges for miles 'over 115%'.

At the end of November 2024, LeasePlan issued its final response. This said, in summary, that an invoice for a payment due from October 2024 had been raised incorrectly. LeasePlan said it raised a credit for the payment to reflect this.

LeasePlan said the early termination fee was still payable. And it said it thought it was fair to charge Mr D the excess mileage amount that it did.

In addition to the £302.89, LeasePlan offered Mr D a £100 gift card.

Mr D remained unhappy and referred the complaint to our service. He made a number of points, including that the early termination terms were misrepresented to him, that an incorrect invoice was generated, that a payment should've been reimbursed but wasn't, and Mr D said LeasePlan provided poor service and didn't follow up on communications.

Mr D also said LeasePlan withdrew around £616 from his account at the end of December 2024 when it should not have. He said he'd found the situation very stressful and had had to spend hours of personal time trying to sort things out.

Mr D said he wanted the £616 reimbursing and compensation of £2,500 to reflect what happened.

LeasePlan responded to our service and said it thought there were errors made. It said it didn't act on an online chat as it should have. And it said it didn't send a complaint acknowledgement to Mr D.

LeasePlan said it thought it wasn't reasonable to assume the excess mileage charges stopped at 115%. But, it said it would reimburse these charges, £249.81, as a gesture of goodwill and said it would pay Mr D £100 to apologise for the service received.

Our service let Mr D know about the offer, but he didn't accept it. He said he had to spend around 100 hours of his time sorting the situation out and explained it had caused a significant impact to his mental health. Mr D said he thought £2,500 was still reasonable to put things right.

LeasePlan clarified that the £616.46 taken in December 2024 was for an early termination charge of £151.45 and an excess mileage charge of £465.04.

Our investigator issued a view and upheld the complaint. She said, in summary, that she thought there was a delay in LeasePlan providing Mr D with information about the applicable charges when he was negotiating the purchase of the car. She said the additional billing taken in November 2024 had caused Mr D inconvenience.

Our investigator said she hadn't seen enough to make her think Mr D was given incorrect information about the £151.45 termination charge, so she thought this should stand. She said she thought the excess mileage had been charged incorrectly, but noted this had already been offered to be returned to Mr D.

Our investigator said LeasePlan should increase the offer of £100 for the distress and inconvenience caused to £400 to reflect what happened.

Mr D was unhappy with this. He said £400 didn't reflect the multiple failings that happened over several months. He said no offer should be considered as 'goodwill' as he was legally entitled to the funds. He said LeasePlan had committed fraud and had benefitted from 'unjust enrichment'.

Our investigator responded and explained she agreed the excess mileage reimbursement shouldn't have been considered a gesture of goodwill. She said she still thought £400 was reasonable to reflect what happened. And she said our service wouldn't consider whether fraud had taken place.

Mr D still disagreed. He said if each individual error had been considered, the amount due would be "*many thousands*". He said the impact on his mental health hadn't been considered. He said he was only given the invoice for £616.46 after he bought the car. And he said it was 'absolutely critical' that the 'fraudulent aspect' of the complaint should be considered.

LeasePlan responded and said it accepted the investigator's findings.

Our investigator then responded to Mr D and provided him a link to our service's approach to compensation in relation to distress and inconvenience. And she explained she still thought the recommendation to put things right was reasonable.

Mr D responded and said he'd reviewed the information sent. He felt he should receive around £1,500 based on this. He again reiterated that he believed LeasePlan had committed fraud. He said the Financial Conduct Authority ('FCA') should be notified and said it should be required to take several actions in relation to other consumers.

As Mr D remained unhappy, the complaint has been passed to me to decide.

### **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 think this complaint should be upheld. I'll explain why.

I want to start by explaining to both parties that I might not comment on every point raised or every single piece of evidence. I want to reassure Mr D and LeasePlan that where I haven't mentioned something this doesn't mean I haven't considered it, nor that I think it unimportant. I've carefully thought about all of the information on the case, but I'm going to focus my decision on what I think are the key facts and the crux of the complaint. This reflects the informal nature of our service.

It's also worth explaining upfront that Mr D has said he believes LeasePlan committed fraud and I know he wanted our service to comment on this. But, fraud is a legal allegation and falls outside the scope of this decision to determine. So, I won't be making any findings on this nor commenting further on this point.

Mr D also said our service should contact the FCA and that it should be required to take several actions in relation to other consumers. To be clear, I am only considering what happened in Mr D's specific case. And in any event, it's worth pointing out to Mr D that I can't instruct the FCA to take any action as part of his complaint.

I also want to acknowledge Mr D's strength of feeling about what happened here. He's gone into quite a lot of detail about his complaint. But much of what happened isn't in dispute in this case. LeasePlan has already recognised some failings in how it dealt with Mr D and accepted our investigator's findings. So, I'm satisfied the crux of this complaint isn't what went wrong, but rather what would be reasonable to put things right. This is what I will focus my findings on.

I've thought very carefully about what Mr D said about being told the early termination charge of £151.45 and other costs wouldn't apply if he bought the car. But, there is a lack of any other evidence about this. Having considered this carefully, I haven't seen enough to persuade me that anything should be reimbursed in relation to this point.

In relation to the excess mileage charge, looking at the agreement Mr D entered, this states:

*"between 100 and 115% of the Annual Mileage Allowance: 8.20 pence per mile"*

*"for miles over 115% of the Annual Mileage Allowance: pence per mile"*

To clarify, there appears to be a missing amount from the contract. LeasePlan said it wasn't reasonable to assume that charges wouldn't apply past 115%. But this doesn't change the fact that it isn't set out in the contract what any charges were. I've also considered what Mr D said about considering any charges as part of the negotiations to buy the car and the impact this had on him.

Under the specific circumstances of this particular case, I agree with our investigator here that the amount over 115% should be reimbursed. LeasePlan has explained this figure was £249.81.

I've then considered the customer service issues.

LeasePlan has already acknowledged the issue with taking a monthly payment following the sale of the car to Mr D. It explained this was due to it relying on incorrect information about the date of sale. LeasePlan said it has already reimbursed this, but I agree with our investigator this must have been upsetting for Mr D.

LeasePlan has also already acknowledged other areas of service it should've done better in.

And I want to again reassure Mr D that I've carefully considered all of the other points he's raised here and everything he said.

I agree with our investigator that Mr D has been caused distress and inconvenience due to what's happened. He's had to spend time chasing LeasePlan when it didn't respond to him, has had contact that wasn't acknowledged, and he has set out other customer service issues. And it must have been very frustrating to struggle to get information when he was in the process of buying the car. I appreciate the time he's had to spend resolving things and I was sorry to hear about the impact the situation had on his health.

Mr D initially said he should receive £2,500 to reflect things, and later said he thought an award of up to £1,500 should be paid. I'm aware he's already received our services' general approach to distress and inconvenience.

Thinking about everything, I'm satisfied Mr D suffered significant inconvenience and disruption that took a lot of effort to sort out. And this situation went on for some time.

I find, keeping in mind our service's approach to these awards that has been shared with Mr D, that this means an award of £400 as recommended by our investigator is a fair reflection of what happened. It follows I don't agree with Mr D that a higher figure should be paid under the specific circumstances of this complaint.

### **My final decision**

My final decision is that I uphold this complaint. I instruct LeasePlan UK Limited to put things right by doing the following:

- Reimburse Mr D any excess mileage charge for miles over 115% of the annual mileage allowance – I believe this figure is £249.81\*
- Pay Mr D a total of £400 to reflect the distress and inconvenience caused\*\*

\*This amount should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If LeasePlan considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr D how much it's taken off. It should also give Mr D a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue and Customs if appropriate.

\*\*If LeasePlan has already paid Mr D an amount in relation to this it can deduct it from the total due

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 July 2025.

John Bower  
**Ombudsman**