

The complaint

Mr M complains about a hire agreement he entered into with RCI Financial Services Limited trading as Mobilize Financial Services (MFS).

When I refer to what Mr M and MFS have said and/or done, it should also be taken to include things said and/or done on their behalf.

What happened

Mr M visited a dealership where he acquired a used electric car first registered in 2015. He also entered into a hire agreement with MFS to hire an electric battery for the car in March 2019. On this agreement the minimum period of hire was 12 months with a monthly repayment of around £59.

Mr M said that towards the end of 2022, after fully charging the battery at home, he noticed a deterioration in the available mileage after the full recharge. So, he was told that he has to get the battery checked at his car's manufacturers dealership at a cost to him of £114 and if it was found to be less than 75% of original capacity, it would be replaced.

Mr M said he had this test done in February 2023 and they reported back that the battery capacity was 90% of its original capacity. He said at that time, he accepted that the experts must know what they were doing, and that they would not try to mislead him. But, he said, that he observed a gradual reduction in available mileage after each full recharge, so he had the battery tested again in November 2023. And again, Mr M said they have reported that it was still at 90% capacity. Mr M said he found this difficult to believe, so he had the battery tested by an independent expert in December 2023. They completed their checks and said the state of the traction battery was 60%. Mr M said this confirmed his suspicion, as he was only able to get a range of approximately 70 miles on a full charge, even though the car's brochure from 2015 claimed up to 145 miles range would be available on a full charge. So, he complained to MFS asking them to replace the defective battery.

MFS wrote to Mr M in May 2024. In this correspondence they said they previously advised Mr M that if the car's manufacturer's dealership deemed the battery to be below 75%, they would replace it under the terms of the warranty and any diagnostic fee would be refunded to him. However, having discussed the matter further with one of the car's manufacturer's garages, they confirmed that when they investigated the issue, they found the battery percentage to be at 90% and therefore would not look to replace it. MFS said that while the battery was achieving an acceptable percentage, they believed there was an issue with the fast-charge unit as it did not seem to be taking the charge. And for them to offer an exact diagnosis, the car would need to be booked in for further testing to enable them to determine the exact cause as to why the car is not achieving the mileage it should be. They also explained that the fast charge unit does not form part of the hire agreement for the battery in question, so MFS are not liable for this item.

In this correspondence, MFS also acknowledge that their responses and communication have not been ideal due to the length of time it has taken them to offer an accurate explanation to Mr M, so they offered a sincere apology and, as a gesture of goodwill, they

covered Mr M's April and May 2024 battery repayments to ensure the hire agreement did not fall into arrears.

Unhappy with the above, Mr M referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that the complaint should be upheld. The investigator thought MFS should replace the battery at no further cost to Mr M, reimburse the cost of one garage visit, pay a refund of rentals to cover any loss of use, or impaired use, of the car because of the inherent quality issues. Plus pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement. The investigator was also of the opinion that MFS should pay Mr M £150 for any distress or inconvenience caused plus remove any adverse information from the Mr M's credit file.

MFS disagreed with the investigator. So, the complaint has been passed to me to decide.

After reviewing the case, I issued a provisional decision on 12 May 2025. In the provisional decision I said:

“What I’ve provisionally 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, the law and, where appropriate, what would be considered good industry practice at the relevant time.

Mr M has provided a lot of information, but I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I can only consider the actions/inactions of MFS and only the aspects they are responsible for, and I cannot look at certain actions and/or inactions of the dealership or broker or the manufacturer which Mr M might be unhappy about. So, in this decision I only focused on the aspects I can look into. And, I am only looking at the events that have been raised by Mr M with MFS, the ones they had an opportunity to address in their correspondence sent to him in May 2024.

Mr M acquired the battery under a hire agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. MFS is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr M entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into

account the description of the goods, the price paid, and other relevant circumstances. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

I think in this case those relevant circumstances include, but are not limited to, the age and mileage covered on the battery. In Mr M's case the battery was around three and a half years old and had been used in the car for around 32,833 miles when it was supplied. I would have different expectations of it compared to a brand-new battery. But given the age, mileage, I think it is fair to say that a reasonable person would have high expectations of it and would not expect anything significant to be wrong with it shortly after it was acquired.

Mr M said that it was not until the end of 2022, after fully charging the battery at home, that he noticed a deterioration in the available milage after the full recharge. This would have been about three and half years after acquiring the battery, and when the battery was about seven years old, so I think most likely there was nothing wrong with it when it was supplied. But as mentioned above, CRA also states that the quality of the goods include aspects of durability. So, I've considered whether there is enough evidence for me to conclude that most likely the battery was not reasonably durable.

When thinking about the durability of the battery I have taken into consideration many aspects. I have thought about the range Mr M is able to achieve on the battery, the age of the battery, how many miles it has been used for, plus the battery's health status. And taking all of these aspects into consideration, I cannot say that I have enough evidence to conclude that the battery in question was not reasonably durable.

When coming to the above conclusion I have taken into consideration that in February 2023 when the battery was a bit older than seven years, and had been used for about 48,941 miles, the car's/battery's manufacture dealership checked it and indicated that its health of traction status was 78%.

I also considered that, in November 2023, when the battery was about eight years old and had been used for about 53,149 miles, a different car's/battery's manufacture dealership checked it, and they indicated that the battery had a state of health on ICM at 90%.

I know Mr M has questioned how is it possible that the battery seems to be diagnosed as being healthier than during its previous check, but even if I take into consideration his report from a third-party garage, which was completed in December 2023, I still cannot say that I have seen enough evidence to be able to say that the battery was not reasonably durable. That third-party garage reported that the state of traction for the battery was 60%, but at that time the battery was already more than eight years old and had travelled more than 53,149 miles, so it is reasonable that Mr M is achieving a much lower range on that battery compared to when he acquired it four years prior. And taking all of the above into consideration, I just do not have enough evidence to say that most likely the battery is not durable or that the battery was not of satisfactory quality at the point when it was supplied.

I know Mr M feels that his battery capacity does not have at least 75%. This is because his report from the third-party garage indicates that the state of traction for the battery was 60%, so Mr M feels that MFS should provide him with a replacement battery. As such, I have considered if MFS is in breach of its contractual obligation regarding this aspect.

I can see the hire agreement states that:

“We shall provide you with a Battery that has sufficient charging capacity ... The charging threshold is a Battery capacity of at least 75% of the Battery’s original capacity the “Charging Threshold”)”

It then goes on to clarify that:

“You may, at your own expense, instruct a [car’s/battery’s manufacturing] dealership to carry out a battery charging diagnostic to test the Battery Capacity. Should such diagnostic test determine that the Charging Capacity Threshold is not achieved, we shall, at our discretion, either:

- (a) replace the Battery;*
- (b) repair the Battery; or*
- (c) Provide such other mutually acceptable solution.”*

So, from the terms of the hire agreement, I can see that it must be the car’s/battery’s manufacturer dealership that provides such a diagnostic and as there is no evidence of one, I therefore cannot say that MFS is in breach of that contractual term of the hire agreement.

While I sympathise with Mr M for the difficulties that he is experiencing, based on all the information available in this case, I do not think I’ve seen enough to say that, most likely, there has been a breach of contract or misrepresentation. So, it is not fair or reasonable for me to require MFS to take any further action regarding Mr M’s complaint.

My provisional decision

For the reasons given above I intend to say that I do not uphold this complaint.”

I asked both parties to provide me with any additional comments or information they would like me to consider by 26 May 2025.

MFS accepted my provisional decision.

Mr M disagreed with my provisional decision and provided further comments.

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.

In response to my provisional decision, Mr M said that he gets a feeling from my provisional decision that I feel it is reasonable to expect that a battery, after eight years and 53,000 miles, would suffer in its ability to hold a charge. Mr M said he would agree but “since my agreement with [the car manufacturer] (in the guise of their wholly owned subsidiary MFS) states they will replace the battery if it falls below 75% capacity but shows no leeway for reducing this figure as and when the battery ages, I would expect [the car manufacturer] (in the guise of their wholly owned subsidiary MFS) to abide by their agreement and replace the battery.”

Also, Mr M said his second issue would be that MFS have clearly shown what he would consider to be actions verging on the disingenuous. He said this because, when he finally decided to act upon the poor performance of the battery, they told him he had to go to one of the dealers and pay them over £100 to check the battery. Mr M reiterated that at that time he was told it was over 90%. He also said that he later discovered in their paperwork that the battery performance was stated as 78%. And when he came around to the view that they

might not be correct in their expert opinion and complained again, he was told he had to go to another of the car's manufacturers dealers and again pay over £100 just to be told the battery percentage was over 90%. As such, Mr M questions how it is possible that the battery has improved with time. He also said he distrusts the company because he later found out that they can get a reading without him attending a dealership with the car.

Mr M also reiterated that EV battery experts have told him the state of the traction battery was something like 60% after nearly ten years. And, he said, nothing in his agreement with the manufacturer states that the battery will be replaced if it falls below 75% and that this figure will sharply reduce with age. Overall, Mr M feels that it is only fair that his battery is replaced as, he said, it is below 75% and he has paid nearly £4,000 to them.

I thank Mr M for providing further comments, but as I mentioned in the provisional decision, I can only consider the actions/inactions of MFS and only the aspects they are responsible for, and I cannot look at certain actions and/or inactions of the dealerships, brokers, or the car's manufacturers which Mr M might be unhappy about.

And, after having reconsidered all the available evidence including the arguments Mr M has made recently, I cannot say that I have enough evidence to conclude that the battery in question was not reasonably durable when considering the range Mr M is able to achieve on the battery, the age of the battery, how many miles it has been used for, plus the battery's health status.

In addition, I know Mr M has questioned how it is possible for the battery to be diagnosed as being seemingly healthier compared to a previous check. As such, I have considered this. But as I said in my provisional decision, even if I considered his report from a third-party garage, I still cannot say that I have seen enough evidence to be able to say that the battery was not reasonably durable. This is because the state of traction for the battery being 60% is noted when the battery was already more than eight years old and had travelled more than 53,149 miles. As such, it is reasonable that Mr M is achieving a much lower range on that battery compared to when he acquired it four years prior. So, I still feel that I do not have enough evidence to say that most likely the battery is not durable or that the battery was not of satisfactory quality at the point when it was supplied.

Also, in this decision for me to be able to say that MFS should provide Mr M with a replacement battery I have to be satisfied that MFS is in breach of its contractual obligation regarding this aspect. And the terms of the hire agreement state that it is the car's/battery's manufacturer's dealership who need to provide a diagnostic. However, there is no evidence of one in this case. As such, I cannot say that MFS is in breach of that contractual term in the hire agreement as explained in my provisional decision copied above.

I understand the difficult situation Mr M finds himself in, but I've not seen enough to say that, most likely, there has been a breach of contract or misrepresentation. So, I still feel that it is not fair or reasonable for me to require MFS to take any further action regarding Mr M's complaint.

My final decision

For the reasons given above, and in my provisional decision, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 July 2025.

Mike Kozbial

Ombudsman