

## **The complaint**

Miss K complains that she wasn't treated fairly by RCI Financial Services Limited trading as Mobilize Financial Services ("Mobilize") while trying to take out finance for the balloon payment on her car.

## **What happened**

Miss K was coming to the end of her finance agreement for a car with Mobilize and wanted to refinance the final optional balloon payment to keep the car.

After speaking to Mobilize, she was told the agreement would begin in October 2024, but the first payment would be taken in November 2024. However, it seems that the agreement was activated, and she fell into arrears as a payment was attempted to be taken in October 2024.

She received multiple letters about money owing, and a late payment marker was added to her credit file. Miss K complained to Mobilize in January 2025 and was eventually sent a final response letter (FRL) in April 2025. By this time, she'd already brought her complaint to our service.

The FRL apologised for the errors, confirmed her credit file had now been corrected and all instances of negative date removed, and confirming that they had fixed their system errors and her agreement would begin, and the first payment would be 1 May 2025.

An investigator here investigated the complaint, and said that Mobilize hadn't done enough, and should also pay Miss K £150 for the distress and inconvenience caused. Mobilize accepted this, but Miss K asked for an Ombudsman to make a final decision. She feels her distress is greater than this and pointed to the fact that the car is now older and has depreciated but the finance agreement is the same as it was in October which isn't fair, and she's been locked into it without her agreement now. She also said that the complaint handling by Mobilize was appalling and this had caused her further distress. The case has come to me for a final decision.

## **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. Miss K was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're

able to investigate complaints about it.

I agree with the original outcome that Mobilize should pay Miss K some compensation for distress and inconvenience, and the business accepted the recommendation by the Investigator of £150. I've thought about Miss K's arguments that it should be more, and her reasons for this.

Firstly, she's complained about the complaint handling of Mobilize. But complaint handling isn't a regulated activity, which means we as a service aren't able to punish or penalize a business specifically for complaint handling failures. As such, I can't recommend any further compensation on this basis.

Her other point is regarding the fact that the new agreement has only begun in April 2025, she says without her agreement to this, and this means the car is six months older and had depreciated. I think this is a strange argument, as it would seem she's had six months use of the car without paying for it. That could be argued to be a fair compensation for the delays in starting the new agreement.

But fundamentally, the new agreement which has now started isn't mentioned in her original complaint to Mobilize, because it wasn't in place when she complained. If she wants to complain about the new agreement being unfair as she didn't agree to it beginning in April 2025, or the car having depreciated, or anything similar, she really needs to complain to Mobilize about this to give them the opportunity to answer her concerns first, before she can then bring it back to our service if needed.

I would say though, that having had six months of use from the car for no payments, the chances of her being due further compensation are unlikely. If she was to argue she should be able to give the car back and not begin the agreement as she didn't agree to sign up to it from April 2025, I think that might make some sense, but I still think she'd have to pay for the use of this car from at least April 2025 until it was returned, so wouldn't in all likelihood be due any payments back that she's made since April 2025.

But I'm not prepared to consider this further when Mobilize haven't had the chance to first answer this issue themselves. Our service will incorporate some new issues when looking at a complaint that's been raised, but Miss K's original complaint was about being treated unfairly by the delays in setting up her agreement and the wrong information being reported to her credit file. This would be an entirely different complaint to say that it wasn't fair for Mobilize to then set up the agreement on its previously agreed terms six months late. As such, I think she'd have to raise that as a new complaint with them to have this considered.

With regards to her complaint brought to our service, now that her credit file has been corrected, I think £150 is a fair amount for the distress and inconvenience caused, and I won't be asking Mobilize to do anything more than pay her that £150 and ensure her credit file is now corrected following their admitted errors here.

### **Putting things right**

I instruct Mobilize to pay Miss K £150 for the distress and inconvenience caused here, and to ensure any adverse data resulting from their errors here is removed from her credit file.

**My final decision**

I am upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 28 October 2025.

Paul Cronin  
**Ombudsman**