

The complaint

Mr K is unhappy that Arval UK Limited delayed in collecting a car they'd supplied him, after he terminated a regulated hire agreement early.

Mr K has been represented during the claim and complaint process by Mrs K. For ease of reference, where appropriate, I will refer to any comments made, or any action taken, by either Mr K or Mrs K as "Mr K" throughout the decision.

What happened

In February 2023, Mr K was supplied with a new car through a hire agreement with Arval. He paid an initial rental payment of £4,822.96 and the agreement was for a minimum hire period of 24 months, with monthly rental payments of £535.88.

The minimum hire period was due to end on 2 March 2025 but, in late 2024, Mr K asked to end the agreement early. Arval agreed to this but said they would charge Mr K 50% of the remaining payments (a total of £535.89) as an early termination charge, as specified on the agreement. Mr K agreed to this and Arval arranged that the car would be collected by a third-party agent on 2 January 2025.

The car wasn't collected as agreed, and collection was rearranged for 8 January 2025. However, the car wasn't collected on this day either, and collection didn't take place until 13 January 2025. Mr K wasn't happy with what had happened, and Arval reduced the end of contract payment by £100 by way of an apology for the delay. However, Mr K didn't think this was sufficient compensation, so he brought the matter to the Financial Ombudsman Service for investigation.

Our investigator didn't think it was fair that two separate collection dates were agreed, and the car wasn't collected on either date. So, they thought that Arval should increase the compensation to £200 to recognise the impact of this.

Arval didn't agree with the investigator's opinion, and they thought the £100 they originally offered was fair and reasonable in the circumstances.

Mr K also didn't agree with the investigator's opinion. He said that both he and Mrs K had taken the day off work on both occasions when the car was due to be collected, so this was wasted time off. He also said that he'd stopped the insurance on the car supplied by Arval on 2 January 2025 – the date of the first failed collection – which meant he was unable to move the car off his drive. This car was blocking the electric charging point, which meant that the replacement car he'd financed couldn't be charged, and had to be left at a friend's house some distance away. Which meant that he needed to use taxis to get around until the car was collected on 13 January 2025. So, he thought that Arval should waive the full outstanding early termination charge.

Because neither party agreed with the investigator, this matter 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'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. Mr K 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.

In this instance, it's not disputed that the third-party collection agent failed to collect the car on two separate occasions. And Arval have offered compensation for this. As such, I'm satisfied that I don't need to consider the merits of this issue within my decision. Instead, I'll focus on what I think Arval should do to put things right.

Putting things right

I would first like to address the points raised by Mr K. And, in doing so, I would refer to an email he sent dated 29 May 2025 relating to the insurance on the car. Within this he provided an extract of an email he'd received from Arval. While I haven't seen Arval's case notes to show me the exact date this email was sent, the contents of this email satisfy me it was sent on 2 January 2025. This email extract says:

"Thank you for taking the time to speak with us this afternoon. We are very sorry that the collection agents were not able to pick up your vehicle today and understand that this is very inconvenient for you.

I can confirm that [name], the assigned agents, have agreed to cover your vehicle under their Freight Insurance. This means that the vehicle must be legally parked and not used until it is collected."

Based on this, I can't agree with Mr K that the car supplied by Arval wasn't insured. While it is the case that the car couldn't be used, there are no other restrictions apart from it being 'legally parked'. So, the car could've been legally parked anywhere, and it didn't need to be parked on Mr K's drive, blocking the electric charging point.

Having checked an internet street view, I've seen that there are a number of cars parked on the street on Mr K's road, so Mr K could've parked the car on the street outside his house and still be complying with the requirements of the insurance provided by the collection agent. And in doing so, he would've been able to both charge and use the new electric car he'd financed.

What's more, even if it meant obtaining temporary insurance cover for a few hours so the car could be moved, Mr K could've put the car supplied by Arval on his friend's drive, instead of the new electric car he'd financed. This would also have allowed him to use the new car, and Arval could've been advised of the new collection location. As such, I'm not satisfied that Mr K mitigated his losses, so I won't be asking Arval to cover any of the taxi costs he incurred.

Mr K has also said that both he and Mrs K took time off work for the failed collections of the car. While I appreciate why Mrs K may have wanted to be present at the point of collection, the agreement with Arval is in the sole name of Mr K. Therefore, when considering the impact of the failed collections, I'm only able to consider the direct impact on Mr K as he was Arval's customer, not Mrs K.

Notwithstanding this, I think Mr K should be compensated for the distress and inconvenience he was caused by the two failed collections. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I note our investigator recommended Arval pay Mr K a total of £200, to recognise the distress and inconvenience he was caused. And while I appreciate that Arval don't agree with this amount, having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward.

I think this is significant enough to recognise the frustration and upset Mr K would've felt by having to arrange to be at home for two separate days when the car wasn't collected as agreed. But I also think it's fair to offset this against the outstanding early termination charge. So, this is a payment I'm directing Arval to make

Therefore, Arval should pay Mr K a total of £200 to compensate him for the trouble and inconvenience caused by the two separate failed collections of the car they supplied him. Arval can offset this against any outstanding early termination charge. If there is any payment to be made to Mr K after offsetting, Arval must pay this compensation within 28 days of the date on which we tell them Mr K accepts my final decision. If they pay later than this date, Arval must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment.

If HM Revenue & Customs requires Arval to take off tax from this interest, Arval must give Mr K a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr K's complaint about Arval UK Limited. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 October 2025.

Andrew Burford
Ombudsman