

## **The complaint**

Mrs S is unhappy as she feels she was mis-sold a hire purchase agreement by Mercedes-Benz Financial Services UK Limited.

## **What happened**

Mrs S originally acquired a car using a hire purchase agreement in 2021. The cash price of the car was £33,538.82

As her agreement was coming to an end, the dealership invited her in to discuss her options and the possibility of buying a new car. As Mrs S couldn't find a car she liked, the dealership offered to refinance her current car instead. Mrs S said they spoke about bringing down her monthly repayments and the payment Mrs S was required to make at the end of the agreement. She said they also discussed the new agreement having a higher monthly mileage allowance.

Following these conversations, Mrs S signed a new hire purchase agreement. The new agreement was for five years. It listed the cash price of the car as £22,150.

Mrs S is unhappy because after receiving a statement of account from Mercedes, she believes that the new hire purchase agreement was based on the original price of the car. Because of this, she feels she was mis sold the hire purchase agreement.

Mrs S complained to Mercedes, they responded and said the agreement she signed was clear and they didn't think it was mis sold, so they didn't think they needed to do anything further. Unhappy, Mrs S brought her complaint to our service, one of our investigators looked into things and didn't think Mercedes had done anything wrong.

As Mrs S didn't agree, she asked for an Ombudsman to review the complaint, so the case has been passed to me for a 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.

I understand Mrs S thinks the second hire purchase agreement was mis sold to her because it was based on the original purchase price of her car. Having reviewed everything, I think there has been some confusion here.

Mrs S' second agreement was based on a cash price for her car of £22,150. Her statement of account says the starting balance is £30,827.60. This is the total balance of her finance agreement, including interest. It doesn't mean the second agreement is based on the original purchase price of the car.

Mrs S has said the dealership told her that as part of refinancing her monthly payments would be reduced and the amount she needed to pay at the end of the agreement would also be lower. Looking at the second agreement, both of these things happened. I can see

Mrs S' monthly mileage allowance was also increased.

I also think all the finance information, which Mrs S signed, was clear in detailing all the information Mrs S needed to know. It also made clear the total amount payable under the agreement, including interest, which is what was reflected on the statement of account.

For these reasons, I can't agree that Mrs S' finance agreement was mis sold to her for the reasons she suggests. This is because the second hire purchase agreement and other sales documentation is clear that the cash price of the car wasn't based on the original purchase price.

### **My final decision**

My final decision is that I don't uphold this complaint for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 24 October 2025.

Ami Bains  
**Ombudsman**