

The complaint

Mr V complains that a hire purchase agreement with Mercedes-Benz Financial Services UK Limited, trading as Mercedes-Benz Finance, under which a car was supplied to him, was mis-sold to him.

What happened

A new car was supplied to Mr V under a hire purchase agreement with Mercedes-Benz Finance that he electronically signed in May 2022. The price of the car was £50,305, Mr V paid a deposit of £828.97 and he agreed to make 60 monthly payments of £736.04 to Mercedes-Benz Finance. There was also an optional final payment of £16,875. The agreement says that the annual permitted mileage is 15,000 miles.

Mr V complained to Mercedes-Benz Finance that the hire purchase agreement had been mis-sold to him because he requested 30,000 miles per annum and for a service care plan to be included. I can see that Mercedes-Benz Finance had a phone conversation with Mr V about his complaint in February 2025 and it sent him its final response later that month. It said that its investigation hadn't uncovered any evidence to confirm mis-selling was involved in setting up Mr V's hire purchase agreement.

Mr V wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He said that, on balance and in the absence of evidence to the contrary, he was unable to fairly say that the hire purchase agreement was mis-sold to Mr V.

Mr V didn't accept the investigator's recommendation and has asked for his complaint to be considered by an ombudsman. He says, in summary, that:

- he was never shown the first page, or any pages, showing the annual mileage allowance as the salesman just showed him the signing page;
- it was a rushed scenario, close to the branch closing time, and he was rushed into signing the documents and didn't notice what was written but there was no reason for him to think that there would be anything untoward or that the salesman wasn't trustworthy;
- he strongly believes that due to these mitigating circumstances he was misled and forced into signing the contract without the professional attention that he should have been given and that the case can't be judged by the black and white signature and the investigator's belief that something printed above a signature section would prompt someone to ask to look at the whole document; and
- he knows how many miles he does travelling to work and back which is why he asked for 30,000 miles and, had he been shown the document, he would have seen 15,000 miles, but it was obviously hidden from him.

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.

Mr V agreed with Mercedes-Benz Finance for a car to be supplied to him under a hire purchase agreement. The price of the car was £50,305 and he was agreeing to make monthly payments of £736.04 for five years. Mr V electronically signed the hire purchase agreement in May 2022. I consider that it would be reasonable to expect Mr V to have read the hire purchase agreement before signing it, even if he was only signing it electronically, and that would include asking for a copy of the agreement to read if it couldn't be read on a screen on which he was being asked to sign. I don't consider that being rushed, or it being close to closing time, are acceptable reasons for not reading an agreement before signing it, particularly so given the amount of credit being provided and the terms of the agreement.

The hire purchase agreement that Mr V signed clearly says on the first page that the annual mileage limit is 15,000 miles. On the second page, under a heading: *"Excess mileage"*; it says: *"If you return the vehicle to us and you have exceeded the total permitted mileage, which is based on an annual permitted mileage of 15,000 miles, an excess mileage charge of 18.00p excluding VAT for each mile will be payable by you for each additional mile exceeding the total permitted mileage"*.

Mr V says that salesman just showed him the signing page, but that page includes a customer declaration that the information contained in the agreement was correct, he'd been given the pre-contract credit information, the agreement had been explained to him and he'd read the agreement. It also says: *"This is a Hire Purchase Agreement regulated by the Consumer Credit Act 1974. Sign it only if you want to be legally bound by its terms"*.

Mr V says that he asked for 30,000 miles and for the service care plan to be included. The hire purchase agreement makes no reference to a service care plan and I've seen no evidence to show that Mercedes-Benz Finance had agreed to an annual mileage limit of 30,000 miles or to include a service care plan. I've also seen no evidence to show that Mr V had a reasonable expectation that Mercedes-Benz Finance had agreed to include them.

The hire purchase agreement was for five years, so 30,000 miles each year would have resulted in a permitted mileage of 150,000 miles, which would be very high mileage for a car supplied under a hire purchase agreement. I'm not persuaded that it's likely that Mercedes-Benz Finance would have agreed to a permitted annual mileage of 30,000 miles for five years. As Mr V says that he'd asked for an annual mileage of 30,000 miles and for the service care plan to be included, I consider that it would be reasonable to expect him to have checked that they'd been included before he signed the hire purchase agreement.

The car was supplied to Mr V in May 2022 but it looks to me that he didn't complain to Mercedes-Benz Finance about the agreement being mis-sold to him until February 2025, nearly three years later. I'm not persuaded that there's enough evidence to show that the hire purchase agreement was mis-sold to Mr V and I find that it wouldn't be fair or reasonable in these circumstances for me to require Mercedes-Benz Finance to take any action in response to his complaint.

My final decision

My decision is that I don't uphold Mr V's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 22 October 2025.

Jarrold Hastings
Ombudsman