

## The complaint

Mr W complains about charges in relation to a car he took out using a hire agreement provided by LeasePlan UK Limited ("LeasePlan").

## What happened

In June 2023, Mr W acquired a car using a hire agreement with LeasePlan. The minimum period of hire was 24 months, made up of one advance rental of £2,921.22, followed by 23 regular, monthly rentals of £324.58. The annual mileage allowance for the car was 8,000 miles, and the charge for mileage over that amount was 16.79 pence per mile.

LeasePlan informed Mr W of an increase to the road tax for the car he had acquired. This was the Vehicle Excise Duty ("VED"), sometimes referred to as the road fund licence, or road tax, that was applicable to be paid on the car that Mr W acquired. LeasePlan thought Mr W was liable to pay it under the terms of the agreement.

Mr W didn't think it was fair to be charged the road tax as he thought he was already paying for it as part of his monthly rentals. And Mr W also didn't think that the car had increased in value, or that there were changes to the emissions of the car, which would result in an increase in tax. So, Mr W complained to LeasePlan.

LeasePlan issued their final response to Mr W in December 2024. LeasePlan explained that Mr W had an amount of road tax included in his monthly rentals, however there was an increase to the road tax by the DVLA. And as per the terms of the agreement, it meant that Mr W was recharged an additional amount for the road tax.

As well as the VED recharge, Mr W said that he wished to end the agreement he held with LeasePlan and return the car, as he was mindful of the mileage he had covered, above what the agreement allowed. Mr W also said he found another car he wished to acquire. Mr W was unhappy as he received conflicting information in relation to how much he would be charged for the excess mileage. Mr W said once he had agreed to acquire his new car, he received an invoice for excess mileage considerably higher than he thought he would have to pay.

LeasePlan responded and explained that they didn't uphold Mr W's complaint.

Unhappy with LeasePlan's responses, Mr W referred his complaint to our service in February 2025. The car was also returned in the same month, with a reported mileage of 29,754 miles.

Our investigator didn't uphold Mr W's complaint. In summary, he thought that it was fair for LeasePlan to charge Mr W for excess mileage as well as for any increases in the road tax.

Mr W didn't accept the investigator's findings. Among other things, Mr W believed he was incorrectly informed about what he would have been charged for excess mileage, which impacted his funds to acquire a different car.

As Mr W disagreed with the investigator's outcome, the complaint was 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'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No courtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr W complains about a car supplied to him under a hire agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr W's complaint about LeasePlan.

#### The VED charge

Mr W believes he shouldn't have been charged any more for the VED. So, I've considered the terms of the agreement which he signed with LeasePlan. Under a section called, "Other charges which may be payable", it says:

*"we will provide an annual road fund licence (or its equivalent for the Term of this Agreement. This will be provided at our own expense up to the cost which is current at the date of this Agreement. If there is an increase in the cost of renewal during the Term, you will pay to us on demand the amount of any such increase..."*

LeasePlan has already explained in their December 2024 final response to Mr W that an amount of road tax was included in Mr W's monthly rentals. But Mr W was recharged due to an increase in the road fund licence.

Considering the terms above and what LeasePlan has said, I also agree that Mr W is liable to pay the VED (which is included in his rentals), as well as any increase in it, by paying the difference on demand. LeasePlan has also explained to Mr W that he will be credited for any full months' unspent road tax once the car is returned. Mr W has also explained the VED amount he was being recharged had reduced.

In the circumstances, I think it is fair and reasonable that LeasePlan charged Mr W for the VED, and I don't think they need to do anything more in relation to this.

#### Excess mileage charge

Mr W also complains about the invoice he received in relation to the additional mileage he covered in the car, above what the agreement allowed.

Under a section called, "Payment of Rentals and Charges", the terms of the agreement say:

*"You shall pay to us the Excess Mileage Charge for each mile over the total Annual Mileage Allowance that the Vehicle travelled in the Term or each mile over such proportion of the total Annual Mileage that would have accrued to the day of termination if earlier..."*

I think the term is clear in setting out that Mr W is liable to pay for additional mileage driven in the car above what the agreement allowed – and that the permitted mileage would be pro-rata'd if the agreement ended early.

Mr W drove over 29,000 miles in the car. If the permitted mileage under the agreement had been pro-rata'd to allow for the time Mr W had possession of the car, before it was returned early, it would mean his total permitted mileage should have been around 13,000 miles. This means that Mr W drove roughly an additional 16,300 miles in the car, above what his agreement allowed.

The agreement also clearly sets out what Mr W would be charged for each additional mileage over the permitted amount. So, while I appreciate Mr W says he relied on previous quotes he received to determine how much he would need to pay, and that consideration led him to acquiring a new car, I'm not persuaded by what he says here. I'm satisfied that Mr W should have reasonably been aware of what he would have been expected to pay for this charge, before the agreement ended.

It's reasonable to assume that any quote given in relation to early termination or excess mileage may fluctuate until a car is returned, as settlement figures may alter, depending on when a car is returned and it can be fully appraised.

In the circumstances, I think it is fair and reasonable that LeasePlan charged Mr W for excess mileage, and I don't think they need to do anything more in relation to this.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint. So, I don't require LeasePlan UK Limited to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 December 2025.

Ronesh Amin  
**Ombudsman**