

The complaint

Ms T complains that RCI Financial Services Limited, trading as Nissan Financial Services ("Nissan") caused unnecessary delays when she asked to voluntarily terminate her credit agreement, and this resulted in additional costs.

What happened

Ms T took out a hire purchase agreement in November 2021 to acquire a used car. The cash price of the car was £16,490 and after taking into account the advanced payment, the credit provided was £15,343.99. The credit agreement was set up over a term of 49 months with monthly rentals of £300.64, resulting in the total amount repayable if the agreement ran to term being £20,291.61.

Ms T told us:

- She contacted Nissan in October 2024 because she wanted to voluntarily terminate her agreement having paid three years of monthly rentals, but it didn't want her to return the car and told her she'd be better off selling the car privately;
- Nissan is supposed to carry out this type of request in 2-3 days, but it took more than four months to complete, during which time she incurred additional costs such as car insurance, road tax, and some costs associated with repairs;
- Nissan's customer service was appalling; it didn't return her telephone calls or respond to her emails, and she had to get the car serviced because of delays;
- she had the car serviced on the understanding that Nissan would refund her in full, but it only refunded half the cost until she challenged it and it eventually refunded the cost in full;
- after the servicing, an EML illuminated on the dashboard which she was told she would have to deal with before Nissan would take the car back;
- there were further delays in the car being collected and she had to seek assistance from a dealership associated with the manufacturer;
- following an assessment by a third-party, she's been invoiced more than £2,000 for end of contract damages and repairs;
- she wants Nissan to reimburse her for the costs she's incurred.

Nissan rejected this complaint. It acknowledged that Ms T hadn't received a call back as quickly as she should've done when she enquired about voluntary termination in October and November 2024 and it refunded her one monthly rental of £300.64 in recognition of this.

Nissan said it sent Ms T the paperwork to end the agreement on 2 December, and once she'd signed it and returned it, it was actioned on 10 December. It said Ms T's paperwork explained that there was a requirement that the car servicing was up to date and the service book stamped accordingly. Nissan told Ms T that *"you agreed to these terms and were aware the vehicle needed to be serviced before arranging the collection...the cost of any service would remain your responsibility"*. As a gesture of goodwill it agreed to cover 50% of the cost of the service that took place on 12 December, but because of delays in processing Ms T's refund, it ended up agreeing to refund her the full cost of the service - £168.

Nissan noted that around the date of the service, an EML illuminated. It explained that *"If the vehicle requires any repair work, you must ensure that this is completed prior to the inspection. Please also ensure you have this work carried out as per the contract"*. Nissan said the third-party collection agent would not have been able to collect the car if a warning light was showing, and it was for Ms T to arrange diagnostics or repairs prior to collection. And because of this, Ms T was responsible for the costs associated with this, including the costs of any diagnostics and any costs associated with needing to keep the car insured and taxed. Nissan said as a further gesture of goodwill it agreed to cover the cost of a transporter to collect the car for inspection, but it wasn't able to schedule this until Ms T confirmed the location of the car - which she didn't do until 20 January 2025 – and then it could take up to two weeks to arrange the collection and inspection with the third-party that undertakes the assessments.

Nissan said its two gestures of goodwill – the refund of one monthly rental and covering the costs of transporting the car – were sufficient redress for Ms T's complaint.

Our Investigator looked at this complaint and said she didn't think it should be upheld. She said she'd simply seen no evidence to suggest that Nissan's actions delayed the voluntary termination by four months, as Ms T had complained. She went on to explain that the hire purchase agreement set out clearly what was expected of Ms T if she chose to voluntarily terminate the agreement.

Our Investigator reviewed the contact notes supplied by Nissan and concluded that it wasn't until 25 November that Ms T actually confirmed she wished to proceed with the termination of the credit agreement. And although Ms T had to chase Nissan over the next couple of days, the relevant paperwork was sent to her on 2 December.

Our Investigator said that she didn't think Nissan had delayed things by a significant amount – it took around seven days to process Ms T's request – but it had refunded Ms T the cost of a service together with one monthly rental. And it hadn't charged her the £100 collection fee that it could've applied in accordance with the agreement's terms and conditions. She concluded these actions were a reasonable way to address Nissan's customer service failings.

Our Investigator told Ms T that as it was a legal and contractual requirement for the car to be taxed and insured, and she was also contractually obliged to service the car and ensure that any necessary repairs were completed whilst the car was in her possession, she couldn't hold Nissan responsible for the costs that Ms T had incurred in respect of this.

Ms T disagrees so the complaint comes to me to decide. She says that Nissan should've collected the car sooner and not come up with all sorts of reasons why it would not be collected, incurring her with additional costs.

Our Investigator explained that Ms T's complaint about the end of contract damage charges wasn't something this Service could investigate until she'd raised it with Nissan first of all and given it the opportunity to investigate the matter. But if she were unhappy with its response, Ms T could bring a new complaint about these charges to this Service. But she explained that an Ombudsman could consider her other complaint points, and she'd arrange for that to happen.

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 hope that Ms T won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Ms T should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

Having done so, I've reached the same conclusion to that of our Investigator, and I don't think this complaint should be upheld – and I'll explain why.

I need to tell Ms T that I'm not considering any complaint about the end of contract damage charges that she's mentioned. As our Investigator explained, this Service cannot look at a complaint unless the matter has been raised with the business – in this case Nissan – and it's had an opportunity to investigate the matter and provide a final response. But in the event that it doesn't provide a timely response, or if Ms T is unhappy with its response, then she could bring a complaint about this matter to this Service.

In considering Ms T's other complaint points, I've looked carefully at what she's told us, and I've examined the credit agreement she signed and the notes that detail her contact with Nissan over the period in question. Having done so, I simply cannot conclude that Nissan significantly delayed the voluntary termination process, and that in doing so, it caused Ms T to incur additional costs.

I say this because, although Ms T first contacted Nissan about the voluntary termination process in October, the notes indicate that she didn't actually agree to proceed on this basis until 25 November. The record of 18 October says *"customer called to enquire about vt process – was advised" ... "confirmed that damage is chargeable and gave rough figures and..."* And I can see that a settlement quote was generated and sent to Ms T on 1 November.

It's not until 25 November – 13:33 – that the notes confirm that *"customer called in as she wants to give the car back, customer wants to VT"*. Then on 29 November, it's recorded that *"Customer called to start VT process – customer informed called before..."*. And I can see that the relevant documentation was issued on 2 December. So it's clear that there was a delay – but the delay was only seven days.

On 3 December, Ms T contacted Nissan to ask it to refund the payment that was collected on 27 November, and I know that Nissan agreed to this. I think this was fair and reasonable in the circumstances of this complaint; the seven-day delay to starting the voluntary termination process will have caused Ms T some frustration. But I won't ask it to do anything more here.

Next, I've considered the servicing and other costs incurred by Ms T. I can see she contacted Nissan on 3 December to say that a service was due. And the hire purchase agreement she signed makes it clear that *"You must take reasonable care of the Goods. This includes ensuring that they are properly maintained and kept in good repair and condition at all times and are serviced in accordance with the recommendations of, and at the service intervals specified by, the manufacturer"*. And it also says that she needs to keep the car insured *"for the duration of the agreement ...whilst the goods are in your possession"*.

So it's clear to me that until the process was completed, and the car was collected, Ms T was responsible for keeping the car serviced, and for keeping it insured. And as road tax is a legal requirement, I would also conclude that she was responsible for keeping the car taxed.

Other than a very short delay in starting the voluntary termination process, I've seen nothing that suggests Nissan is responsible for any further delays. Ms T identified the car needed servicing; the garage identified a warning light; the DPF was cleaned; the fault code re-appeared; the third-party couldn't collect the car because of the warning light; the location of the car needed confirming for the collection; and the collection of the car with a transporter needed scheduling. I think the timescales for each of these was reasonable, and I don't think I can hold Nissan responsible for the further delays experienced by Ms T.

I've seen that Nissan has already provided Ms T with several gestures of goodwill; it refunded a monthly rental; it covered the cost of the service; and it covered the cost of the transporter to collect the car. I'm satisfied it doesn't need to do anything else.

I know Ms T will be disappointed with the outcome of her complaint, but I hope she understands why I've reached the conclusions that I have. I'm simply not persuaded that Nissan caused her significant delays or costs, or that it treated her unfairly in the circumstances.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 4 November 2025.

Andrew Macnamara
Ombudsman