

The complaint

Mr R complains about end of contract charges when his agreement with Hyundai Capital UK Limited trading as Hyundai Finance Contract Hire ended.

What happened

Mr R was supplied with a car and entered into a finance agreement with Hyundai. At the end of the agreement Hyundai invoiced Mr R for damages to the vehicle.

Mr R disputed the damages charges as he believed they were excessive. He complained to Hyundai.

Hyundai didn't uphold the complaint. It said the charges for damage had been correctly applied. It acknowledged that it had taken a long time to issue a final decision and credited Mr R's account with £75 compensation.

Mr R remained unhappy and brought his complaint to this service.

Our investigator upheld the complaint. He said it wasn't reasonable for Hyundai to charge for the damage to the rear door left, the quarter panel right, the quarter panel left, and the front wing left.

Following the issue of the investigator's opinion, Hyundai said it would credit the charge for the wiper blade as a gesture of goodwill.

Mr R didn't agree with the investigator's opinion. He said he wasn't happy that he's been charged £360 for not using Hyundai to have the car serviced. He said he'd used a reputable garage which he'd found to do the work at half the cost.

Because Mr R didn't agree I've been asked to review the complaint.

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 know it will disappoint Mr R but I agree with the investigator's opinion. I'll explain why.

Both parties have accepted the investigators decision insofar as the removal of the charges relating to the following items:

Rear door left

Quarter panel right

Quarter panel left

Front wing left

Rear wiper blade

The issue which remains in dispute relates to the charges imposed in respect of servicing.

The finance agreement states (at section 6.3) that:

“The vehicle must be serviced at a franchised dealer of the vehicle manufacturer.”

The finance agreement also states that:

“There is a fee of £120 for each service which was missed or not undertaken by a franchised dealer of the vehicle manufacturer”

Hyundai has charged Mr R for three services totalling £360. Mr S has said that he doesn't think it fair that he's been charged for missing services because he had the car serviced at a reputable garage. Mr R has also said that the lease was a self-service lease, and he thought he could choose where the car was serviced.

I understand that Mr R feels very strongly about the servicing costs. I have no reason to disbelieve him when he says that he had the car serviced at a reputable garage. However, on Mr R's own admission, the garage that he used wasn't a franchised dealer. The agreement clearly states that the vehicle must be serviced at a franchised dealer of the vehicle manufacturer otherwise a fee of £120 for each service which wasn't undertaken by a franchised dealer will be charged. I'm therefore unable to say that Hyundai has made an error or treated Mr R unfairly by charging the service charges.

In conclusion, I agree with the investigator that the charges for the items I've listed out above should be removed, but I won't be asking Hyundai to remove any further charges.

Putting things right

To put things right Hyundai must remove the following charges:

Rear door left

Quarter panel right

Quarter panel left

Front wing left

Rear wiper blade

My final decision

My final decision is that I uphold the complaint. Hyundai Capital UK Limited must remove the charges I've set out above.

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

Emma Davy
Ombudsman

