

## **The complaint**

Mr H is unhappy that a car supplied to him under a hire agreement with Mitsubishi HC Capital UK PLC t/a Novuna Vehicle Solutions (NVS) suffered a failure and incorrect advice given by NVS caused him financial loss.

When I refer to what Mr H has said and what NVS have said, it should also be taken to include things said on their behalf.

## **What happened**

On 19 June 2023 Mr H was supplied a new car via a hire agreement with NVS. The agreement was for 36 months and Mr H paid an initial rental of £1,482.05 followed by 35 months of £494.02.

On 5 January 2025, a Sunday, Mr H was driving to work and had to pull over because of a “hybrid system failure” message. The car would not restart and as a result he called the recovery service. They gave him an estimated time of arrival of 13:35. Shortly after Mr H received a call from NVS’s out of hours service. As well as reassuring Mr H that the issue was logged they promised to call him the next day between 8:00 and 9:00 to arrange a replacement car. Mr H’s car was eventually recovered at 14:40.

When Mr H had not been called by 9am on 6 January 2025 he called NVS and was informed that NVS did not arrange replacement cars. He also enquired about having his hire payments refunded for the time the car was going to be off the road.

Mr H has stated that if he had been informed when originally contacted on 5 January 2025 that no replacement car would be arranged, he would have personally arranged a replacement car for the Monday morning. Mr H is seeking £600 for two days loss of earnings as he was not able to get to work until the afternoon of 7 January 2025, as he was able to collect his car on that day.

On 4 February 2025 NVS issued their response to Mr H’s complaint. Whilst upholding Mr H’s complaint they were clear that there was no contractual obligation for them to provide a replacement car or refund payments whilst the car was off the road being repaired. They applied a credit of £35 to his account in recognition of the inconvenience caused by the misinformation given by their out of hours provider.

Mr H did complain to another ADR provider that NVS was a member of. In considering his complaint they were clear that their rules did not allow them to consider loss of earning or compensation for inconvenience. They reiterated that there was no contractual obligation to provide either a replacement car or a refund whilst the car is off the road. So they did not provide Mr H the compensation he was seeking.

As Mr H was not happy he complained to us.

On 27 May 2025 our investigator issued their decision. They were clear that we, as a service, do not usually issue compensation for loss of earnings but consider the amount of

distress caused. Our investigator did uphold Mr H's complaint but felt that £100 compensation, in addition to the £35 already given was a fair reflection of the distress and inconvenience caused.

NVS accepted the investigators decision.

Mr H did not. He did not feel that the level of compensation reflected his true loss of two days' work.

As Mr H did not accept the investigators decision it has been passed to me to consider.

### **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.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

As an Ombudsman I can consider cases that relate to either regulated agreements or regulated activity. Mr H was supplied with a vehicle under a hire agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

It is unusual for us to consider complaints that have been through another ADR provider, as in this case. Us taking on the complaint has been challenged by NVS. I have seen the decision from the ADR provider and it is clear that their rules preclude them from considering loss of earning or compensation for inconvenience in relation to cases they hear. So whilst unusual I am content that our remit is sufficiently different to enable me to consider this case.

Unfortunately, with any car supplied there will be occasions when it is off the road for servicing or repairs. Whilst inconvenient this does not necessarily mean that the supplier has to provide compensation. To decide whether any compensation is due, I need to understand any contractual obligations, including both express and implied terms.

Looking at the contract I can see that there is no provision within it requiring NVS to either provide a replacement car or refund payments whilst it is off the road. That said I would expect NVS to respond within a reasonable time frame to resolve the fault. The car itself was supplied in June 2023, and the breakdown occurred early afternoon 5 January 2025. The car was recovered the same day and repaired/returned 7 January 2025. I do not feel that the way NVS has dealt with the breakdown in respect to the time taken to repair to be unreasonable.

I now need to consider the impact of the statement made during the phone call on 5 January 2025. From the evidence supplied it is clear that both parties accept that the out of hours service did say to Mr H that they would call him on the morning of 6 January 2025 to make arrangements for a replacement car. Whilst this would not necessarily mean that there would be a car available for Mr H first thing on that morning, it is understandable that Mr H took this as a commitment to sort a replacement car.

As it turned out this was a mistake on behalf of the out of hours service and NVS, as stated above, were under no contractual obligation to provide a replacement car. According to Mr H this information was relayed to him during a telephone call he made at 9:28 on the morning of 6 January 2025.

It is clear that NVS erred in the information provided to Mr H during the call on 5 January 2025. For that reason I am upholding his complaint. The key question is the level of compensation that he should be paid due to this complaint. Mr H is seeking payment for two days loss of earnings totalling £600. It is rare for me to award compensation for loss of earnings.

In understanding the impact on Mr H it is only the statement made during the call that has persuaded me to uphold his complaint not the fact the car was off the road for two days. It is unfortunate that Mr H was inconvenienced by the car being off the road but there will be occasions that a car supplied needs to be off the road. The fact that the car was recovered on a Sunday afternoon and returned to him on a Tuesday is a reasonable level of care and has minimised the impact on him. The earliest that Mr H could have been supplied a replacement car by NVS was Monday morning (6 January 2026) and he knew at 9:28 that morning that NVS would not be providing him a replacement car. Any compensation I require NVS to pay must be reflective of the distress. In the absence of any contractual obligations, I do not feel that it would be fair to hold NVS responsible for two days loss of earnings. Mr H knew during a call made at 9:28 that he was not being supplied a replacement car. I have checked the opening times of car hire supplies near Mr H's home address. None appear to be open on the Sunday, making it difficult for him to collect a hire car that day, and he could have hired a car on the Monday morning once he knew that NVS were not going to supply one.

For that reason I believe that the £100 additional compensation as recommended by our investigator is an appropriate sum.

### **Putting things right**

I uphold Mr H's complaint against NVS and to put things right they need to:

- Pay £100 compensation for the distress caused

### **My final decision**

My decision is that I do uphold this complaint against Mitsubishi HC Capital UK PLC. In order to settle this case they are directed to follow the redress above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 October 2025.

Leon Livermore  
**Ombudsman**