

The complaint

Miss N complains that she was held liable for payments under a hire agreement from RCI Financial Services Limited trading as Mobilize Financial Services.

What happened

Mobilize supplied Miss N with an electric car battery under a hire agreement in September 2018. Miss N agreed to make a minimum of 36 rental payments of £48.98. The agreement required one month's notice in writing to end it thereafter. The agreement allowed for the transfer of the battery, should the car be sold, under specific conditions. But Miss N was required to keep the car until the transfer was completed.

Miss N said she submitted a battery lease transfer form following the sale of her car in May 2023. She said that she was told over the following 12 months that the transfer was being processed. Despite regular phone calls and assurances, she continued to be charged £48.98 per month.

By May 2024 Miss N said she had complained to Mobilize about how damaging the drawn-out experience had become. She said she was assured that the transfer had been received and approved but Mobilize took no responsibility for the delay in finalising it or communicating with her. Miss N cancelled the direct debit and received a notice of sums in arrears in July 2024

Miss N complained to Mobilize again in June 2025. She said that there was a failure to complete the transfer despite clear documentation and follow up. There were missed call backs and empty assurances, and a failure to communicate or apologise. She received a payment of £100 unexpectedly in autumn 2024 which did not resolve the complaint. There was no closure or update despite her formal request for redress.

Miss N said she had suffered a financial loss because she'd made 12 payments after 5 May 2023. She also said she had lost £3,750 in lost income due to following up the issues and this had negatively impacted her ability to work over 48 months. Miss N said that the ongoing issue caused her significant distress and anxiety which may have contributed to a serious health diagnosis. She requested £1,500 for the emotional harm and prolonged mental distress caused.

Miss N referred her complaint to the Financial Ombudsman in June 2025. Mobilize said that it had issued its final response on 24 October 2024, by post. It said that Miss N remained liable under the agreement for the battery and the rental payments until the lease had been successfully transferred. It said that Miss N had breached the agreement by releasing the car (and battery) before the transfer could be completed. This led to difficulties in completing the transfer as the party in possession of the car and battery did not complete the required documentation. It confirmed that it was able to get the required documents on 22 October 2024, which meant it could transfer the battery lease and release Miss N from liability.

Mobilize acknowledged that there were some delays and poor communication on its part and paid £100 as a gesture of goodwill.

Mobilize consented to our investigation although it had been referred too late. An investigator here considered the complaint. He thought that Miss N was in breach of the agreement because she had released the car before she had completed the battery transfer process, this meant that she was liable for the payments under the agreement until the new hirer had been accepted. But he thought that Mobilize took too long to send new documents to the new hirer and recommended a refund of the rentals from 4 May 2023 until 3 August 2023, plus 8% simple interest. He also thought that the £100 paid was fair for the poor communication including lack of call-backs.

Mobilize agreed to settle the complaint in the way the investigator recommended. But Miss N did not. In summary she said:

- She'd suffered a financial loss of £587.76 which equated to 12 payments because Mobilize had continued to charge her.
- She was surprised that the recommendation was only to refund three payments.
- She was disappointed that £100 was deemed fair considering everything that had happened including the threat of legal action.
- She asked why it took Mobilize so long to issue an inhibition notice to the new keeper. She said Mobilize would have done nothing for an indefinite period had she not put in a formal complaint.
- Mobilize stated that they would back date any payments from when the battery hire form was returned, which implied that they committed to pay all overpaid fees for the whole period from May 2023 – April 2024.
- Her underlying concern was that the battery lease agreement and Mobilize business practices mean that an owner of a second-hand electric car with a battery lease in place is unable to sell on their car. No buyer would accept a purchase price and commit to taking on a battery lease and then wait for over three months until they can take possession of the car.

The complaint has been passed to me to make a decision.

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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

I want to set out that I'm primarily required to consider what happened up to when Mobilize sent its final response letter as the events preceding this relate to what it has had the chance to consider. Things moved on from then, so I've tried to be as pragmatic as possible when dealing with this complaint when thinking about what parts I can decide. But I need to be able to draw a line under the complaint with my decision because it will mark the end of our process. If there are further complaints about events that occurred after the final response letter that are not clearly included within this decision, they would have to be taken up separately.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of

this service in resolving disputes.

Miss N entered into a consumer hire agreement with Mobilize to hire a battery for an electric car. That is a regulated credit agreement, and our service can consider complaints in relation to it.

I understand that Miss N is looking for some commentary on Mobilize's business practices, as she questions how someone is supposed to be able to sell a car when it takes so long to transfer the lease. I need to explain that my role is to look into her individual complaint, rather than Mobilize's conduct generally. That's the job of the regulator, which is the Financial Conduct Authority insofar as it relates to regulated financial services. So, I'm not going to comment on the fairness of the process generally.

The terms of the agreement set out that Miss N was required to maintain payments for a minimum of 36 months but until such time as she notified Mobilize in writing. It also sets out the process for transferring the lease of the battery, how to sell the car, and not to release the car until such time as the transfer has been completed. I've noted that Miss N was sent a detailed document when she entered into the agreement which answered frequently asked questions about the process. I've also been provided with a transcript of a call where Miss N makes enquiries about the process in May 2023, and there was also a further letter at this time. I think it was made sufficiently clear that Miss N did not own the battery, and she did not have the right to sell it on with the car until the lease transfer had been completed. So as a starting point it is clear that Miss N was in breach of the agreement as she'd already sold the car, and released the battery from her possession, before she returned the required paperwork.

However, it is also reasonably clear that had things gone as they should, then the transfer would still not have gone smoothly. I say this because Mobilize accepts that there was a three-month backlog before it took any further action to contact the new keeper.

I can't say for certain what might have happened if there hadn't been a delay. The new keeper still might not have co-operated fully with Mobilize. And as the new keeper(s) already had the car and battery there doesn't seem to be any incentive for them to have gone out of their way to assist. Presumably that was why the process was designed so that Miss N should have retained the car until the process was finalised. So, as set out in the agreement, Miss N was still liable for the payments until Mobilize was able to get the required documents from the new keeper and this didn't happen until October 2024.

Miss N asks why it took so long for Mobilize to send an inhibition notice to the new keeper. Mobilize had to find a way to release Miss N from her liability, considering she had breached the contract. It could have taken enforcement action against Miss N for loss of possession of the asset. But it didn't do this, which seems reasonable. Mobilize informed us that inhibiting the battery can only usually happen when it is stolen, which hadn't happened here. It seems fortunate that the new keeper did eventually respond and agree to take on the new lease, which in turn released Miss N from her liability.

Unfortunately, the situation all stemmed from the breach of the contract so it's difficult to say that Miss N's liability should have ended any sooner than that. I appreciate that she's said that Mobilize indicated it would backdate the payments to when the battery hire form was returned. But I think Mobilize made a mistake here, as the call handler didn't seem to be fully aware of the circumstances, and this did lead to the impression that a full refund would be given. Although it may have given incorrect information this doesn't mean that I should direct Mobilize to refund those amounts. But I've taken it into account when considering how Mobilize handled the situation as a whole.

Miss N has described the inconvenience, distress and time taken out of work she has suffered from Mobilize's handling of matters. Particularly, the impact on her health. I am very sorry to hear about this. I need to point out that I am unable to award for long term health issues. These are known as claims for loss of amenity. If Miss N considers there is a wider claim in relation to her health here, then before accepting any decision by me she might wish to take appropriate legal advice as to how my award (and her acceptance of it) might impact any other claims she might be considering.

Deciding compensation is not an exact science here. And issues and problems in everyday life are expected when a complaint needs to be raised. We wouldn't look to compensate someone based on their hourly rate. That said, it does seem that it took Mobilize far too long to reach out to the parties, and its communication with Miss N was poor. It had several opportunities to explain things fully to Miss N when she called, and it only explained that she was in breach of contract when it sent its final response in October 2024. Miss N continued to contact it, as she says she didn't get this letter, although I have to say that I can see that it was sent, so I can't hold Mobilize responsible for her not receiving it.

I don't think Mobilize got to grips with the complaint in the time required, which has contributed to the stress and inconvenience that Miss N experienced. So, even though I do think Miss N is actually liable for all the payments until October 2024, I think our investigator's suggestion is a reasonable compromise given Mobilize's poor handling of matters and how it delayed things. And taking the total amount of refunds and out of pocket interest he's recommended, together with the £100 already paid by Mobilize, this would equate to the amount of compensation I would have recommended where a business's handling of matters has caused distress and inconvenience. I think that is a fair and reasonable way to resolve the complaint.

Given Miss N's losses appear to stem from a breach of contract that she is responsible for, I don't find I have the grounds to direct Mobilize to do more.

I appreciate my decision will come as a disappointment to Miss N. As a reminder she doesn't need to accept my decision if she thinks she can achieve a better outcome, she'll then be free to pursue the matter through the court, after getting legal advice, as necessary.

My final decision

My final decision is that I uphold this complaint and direct RCI Financial Services Limited trading as Mobilize Financial Services to do the following:

- Refund three rental payments of £48.98 paid between 4 May 2023 and 3 August 2023.
- Pay 8% interest on the refunded amounts from the date of payment to the date of settlement.

* If RCI Financial Services Limited trading as Mobilize Financial Services considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss N how much tax it's taken off. It should also give Miss N a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 15 January 2026.

Caroline Kirby
Ombudsman

