

The complaint

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss J complains about charges she was asked to pay by Mitsubishi HC Capital UK PLC (who were Hitachi Capital (UK)) and who trade as Novuna Vehicle Solutions ('Novuna').

What happened

I issued a provisional decision on this complaint earlier this month. An extract from that provisional decision is set out below.

Miss J took receipt of a new car in August 2020. She financed the agreement through a hire agreement with Novuna. At the end of the lease the car was inspected and collected. Miss J didn't have all the service documents at the time, but Novuna said they would reconsider any charge they may make for missing services if she could subsequently provide that information.

Miss J provided evidence that the car had been serviced each year, but Novuna explained that the service completed on 13 October 2022 when the car had completed 45,595 miles had been completed too late. Services were due every two years or 21,000 miles, whichever came first. They thought a charge for a missing service was, therefore, merited.

Miss J referred her complaint to this service, but our investigator didn't think Novuna had been unreasonable. Miss J disagreed, so her complaint has been referred to me, an ombudsman, for 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.

I don't currently agree with our investigator's view of this complaint, and I'm inclined to uphold it. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Miss J acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of Miss J's finance agreement said:

“you must keep the vehicle in good repair and have it serviced, maintained and repaired in accordance with the manufacturer’s handbook and keep a full service history...”

There’s no dispute that the service intervals in the manufacturer’s handbook for this car are every two years or 21,000 miles, whichever comes first.

Looking at the service records Miss J’s car was serviced every year and as follows:

<i>First service:</i>	<i>1/11/2021 @ 22,452 miles (approximately 1,452 miles late)</i>
<i>Second service:</i>	<i>13/10/22 @ 45,595 miles (approximately 3,595 miles late)</i>
<i>Third service:</i>	<i>15/8/23 @ 64,405 miles (approximately 1,405 miles late)</i>
<i>Fourth service:</i>	<i>12/9/24 @ 87,034 miles (approximately 3,034 miles late)</i>

So, on each occasion the car was presented for service after the due mileage had passed. Based on Mr J’s driving patterns of about 500 miles a week the overruns represent a delay of between three and seven weeks.

In an email to Miss J on 21 March 2025 Novuna explain that the “first” service that completed on 13 October 2022 was late and so the charge for the service still stands.

On 26 March a further email to Miss J does identify the first service was actually completed in November 2021 but it misses the fact that Miss J completed a third service on 15/8/23 when explaining that the fourth service was, therefore, 20,439 miles overdue.

It was therefore very confusing to understand exactly what Novuna were charging Miss J for, so I asked them. They explained that they allow a tolerance of 500 miles or one month but that they are not obligated to do that. They said the first, second and fourth services were outside of that tolerance, and a charge was merited. They explained they had removed a charge for damage to the front bumper and had provided a credit of £150. They said the charges they were making were as follows:

<i>4 missing services</i>	<i>£261.00</i>
<i>Front wing damage</i>	<i>£152.25</i>
<i>Scuffed alloy</i>	<i>£56.55</i>
<i>Rear bumper damage</i>	<i>£43.50</i>
<i>A Post dent</i>	<i>£52.20</i>
<i>Less credit agreed</i>	<i>£150.00</i>
<i>Balance due</i>	<i>£415.50</i>

The British Vehicle Rental and Leasing Association (BVRLA) who provide the industry guidelines on what is considered fair and reasonable when cars are returned at the end of their lease say:

“the vehicle must have been serviced and looked after according to the manufacturers servicing/maintenance schedule.”

It’s not disputed that the car was not serviced in line with the manufacturer’s schedule. Services were late and Novuna are entitled to make a charge in those circumstances. It is for them to decide whether to allow any grace period and while I understand that Miss J experienced delays getting the car booked in, and that she was covering quite a lot of miles each week, I don’t think Novuna had to take account of issues that were out of their control.

So, it wouldn’t be fair for me to say Novuna have been unreasonable to charge for missing services.

But they have caused Miss J some distress and inconvenience as a result of their poor communication. They initially suggested the first service was missing, subsequently noted it wasn't, but missed the fact that a third service had been completed, and now their inspection report says they are charging for "Recharge For 04 services" but they have told me they are only charging for three and haven't reduced the bill accordingly. In those circumstances, I think Novuna should pay Miss J some compensation as she's had to escalate her complaint to this service, spend time explaining her position and will have been worried about the outstanding charge and the lack of clarity. I'm expecting to ask Novuna to pay Miss J £261 to compensate her for the distress and inconvenience caused, they can deduct that from the outstanding bill.

My provisional decision

For the reasons I've given above I'm expecting to uphold this complaint in part and tell Mitsubishi HC Capital UK PLC to pay Miss J £261 to compensate her for the distress and inconvenience caused. They can deduct that from any outstanding bill.

The parties' responses to my provisional decision

Miss J asked for clarification of the charges as she didn't recognise some of them. In particular she queried the charge for the front wing.

Novuna also responded, they said:

"[...] the "Recharge for 04 services" wording on the inspection report does not mean the customer was charged for four missing services. The "Recharge for 04 services" label simply reflected the internal labelling for that charge and not the number of services missed. The charge is a fixed sum, applicable once, regardless of the number of services missed. Novuna consistently maintained that the vehicle had not been serviced in line with manufacturers schedule and that a single fixed missing service charge applied as a result.

Before the provisional decision was issued, a detailed email was sent to your investigator which clearly explained that:

- *All four services were eventually completed*
- *Three were completed outside the manufacturers 21,000 mile tolerance*
- *The fixed missing service charge was applied because the vehicle was not maintained in accordance with the servicing schedule*
- *£150 goodwill and removal of damage charges had been applied.*

The customer was never over charged or incorrectly billed. The charge amount remained constant throughout, and all clarifications were made as additional evidence became available.

Given the above, it is our position that the finding of poor communication appears to stem from misunderstanding of our internal terminology, rather than any actual failure to explain matters to the customer."

What I've decided and why

Our investigator sent Miss J a copy of the inspection report that shows a photograph of the dent Novuna charged her to refurbish. The dent is through the swage line. The BVRLA guidance says dents on the swage line are not acceptable. I don't think Novuna were therefore wrong to make a charge.

Novuna have provided some clarity about the service charges, but I still think their communication was poor. They initially told Miss J the first service was missing, subsequently noted it wasn't, but missed the fact a third service had been completed. While Novuna say the "*Recharge for 04 Services*" is merely a label and doesn't refer to four missing services I think that is also confusing and I don't think the misleading labelling will have helped Miss J to have understood the charges that she was being asked to pay.

Overall, I've not been provided with evidence that has led me to change my provisional decision on this complaint.

My final decision

For the reasons I've given above I uphold this complaint in part and tell Mitsubishi HC Capital UK PLC to pay Miss J £261 to compensate her for the distress and inconvenience caused. They can deduct that from any outstanding bill.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 15 November 2025.

Phillip McMahon
Ombudsman