

## **The complaint**

Mr B complains about a complaint he made to Consumer Credit Compliance Limited (CCCL) in respect of the hire of an electric bicycle.

## **What happened**

In November 2024, Mr B received a £4999 voucher from his employer to make payment towards a bicycle under a company ride to work scheme. The funds would be taken from his monthly salary over a period of 12 months, and he would enter into a hire agreement with the merchant, who I'll call E, to hire the bicycle for a period of 72 months. The hire agreement was exclusively between Mr B and E, with no employer involvement.

On 15 November 2024, Mr B received delivery of the bicycle and noted some of the paperwork/handbooks that should have been included were not. After some research, Mr B noted he should have also received a unique pairing code to connect the electric bicycle to its application (BLE code), and this had not been received. He contacted E on 28 November 2024 to let it know about the missing items.

On 5 December 2024, Mr B was informed that he had been booked in for an appointment at one of E's outlet stores for the BLE code to be extracted. Mr B says he took unpaid leave from work to take the bicycle to the store on 11 December 2024. The store was not able to complete the task due to a software issue and retained the bicycle whilst they determined whether the issue could be repaired, or a replacement bicycle needed to be ordered.

Mr B chased for updates unsuccessfully over the next month and asked for a replacement bicycle due to the issues faced. On 2 January 2025, Mr B was informed the bicycle was ready for collection and so he took unpaid leave on 3 January 2025 to do so. Mr B was unable to check the bicycle on collection due to a flat battery. Once he reached home, he was able to register the bicycle on the application but could not register some of the sections of it. In the meantime, Mr B had been in contact with the manufacturer of the application software for this particular brand of bicycle (the manufacturer). The manufacturer and E agreed the bicycle would be looked at again by another store, which was much further away.

On 17 January 2025, Mr B took unpaid leave to drop the bicycle to the second store. Again, Mr B did not receive timely updates, so he raised a complaint to E on 28 January 2025. By this time, he had made three monthly payments towards the bicycle to his employer and had only test driven it once. The complaints team advised Mr B the bicycle was fixed and ready for collection, however Mr B advised he no longer wanted it.

In resolution, Mr B asked for a replacement bicycle of a different make and model, which E said it did not stock. As a resolution could not be agreed on a replacement, rejection of the item took place. E returned the voucher to Mr B who received a refund from his employer. Mr B was also asking for £11,240.34 in damages and compensation, which E did not agree to. It did, however, offer an e-voucher of £250 for any distress and inconvenience caused in early February 2025.

Our investigator reviewed the complaint under Section 75 of the Consumer Credit Act 1974 (Section 75). She factored in the Consumer Rights Act 2015 (CRA 2015) and said the rejection of the bicycle had been agreed by E and as Mr B had received a refund, she thought E had settled the concerns Mr B had about the quality of the bicycle and any resulting breach of contract that occurred appropriately. Our investigator did not find that any further awards should be made.

Unhappy with this outcome, Mr B asked for an Ombudsman to consider his complaint. He provided further information about why he should be entitled to further compensation and damages including loss of earnings and travel costs. Mr B re-iterated that his contract was breached and he has not been remedied in line with the CRA 2015. He also provided further information about why the replacement was not possible, causing him to reject it despite needing a bicycle. So, the complaint was passed to me to decide. I issued a provisional decision in which I said the following:

- The complaint will be considered as a quality of goods issue under a regulated hire agreement rather than a Section 75 claim and complaint. The CRA 2015 continues to apply to quality of goods concerns.
- Mr B faced issues with the bicycle from the time of issue, and it has been agreed between the parties that the goods were not of satisfactory quality.
- The repair of the bicycle was not successful, and the replacement Mr B requested was not a feasible option. So, rejection of the goods took place with Mr B having received a full refund of the price of the goods to return to his employer. This was an appropriate way to remedy the matter and is in line with the remedies outlined in the CRA 2015.
- Mr B's main request was that he be given damages and compensation for the issues he had experienced with the goods.
- Mr B should be re-imbursed for the mileage added to his vehicle, the cost of petrol, the cost of phone calls and some compensation for distress and inconvenience caused.
- It was not reasonable to re-imburse Mr B for the daily hire cost of an equivalent bicycle or Mr B's loss of earnings.
- Overall, the total amount of £250 previously offered by E was reasonable to put things right. However, this amount should be paid to Mr B directly rather than in the form of a voucher.

CCCL agreed with the provisional decision. Mr B provided further information for consideration as follows:

- The replacement bicycle Mr B requested was cheaper than the bicycle he had previously, and E could have easily purchased this bicycle for Mr B.
- Mr B travelled a total of 134.4 miles for repairs, and his employer provided £0.45 per mile in 2022.
- Mr B used two thirds of a tank of fuel for the trips he made and finds £65 to compensate him for this to be reasonable.
- Mr B spend around 3 hours on the phone attempting to sort this matter out and his phone company list the charges at £0.28 per minute.
- Mr B feels the amount offered for distress and inconvenience caused is not adequate.
- Mr B confirmed he did not hire any bikes and provided a receipt for a hire he conducted in September 2024 which cost him £65.
- Mr B asked us to consider the loss of use, amenity and enjoyment of the bicycle for the duration that he did not have the goods which he was paying for. He asked us to consider £85 per day for 75 days and provided his logic behind this figure.

## **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 the provisional decision I provided information about the matters we need to consider when we consider awarding damages, so I don't intend to repeat this here. I appreciate that Mr B has gone to considerable effort to itemise and list all the different elements of damages he has suffered loss on and attempted to reason through why he should be awarded significantly more than the current recommendation.

I would like to make clear that although I understand the situation impacted Mr B and his family, I am required to consider the actions taken in response to the issues faced. Mr B was promptly offered repairs, and when these did not work out as expected, the rejection of the goods was accepted. This served to put Mr B back in the position he would have been had he not purchased the bicycle and is the main remedy in a situation where goods are not fit for purpose. This remedy had already been deployed prior to our involvement.

The matter that therefore remains is whether there is anything further that needs to be done to put things right. Considering the timeline of what has happened and that rejection took place promptly after attempts to rectify the matter had been made, I am not inclined to agree that Mr B is due large amounts of compensation for what has happened. I have awarded a small amount of compensation for the lack of regular updates and general inconvenience and find this to be reasonable. Regarding the damages, my outcome remains the same and none of the further information provided has altered my opinion on what damages Mr B can expect to recover. The calculations provided by Mr B for mileage, fuel and phone calls have been accounted for in this amount.

The last matter I will comment on is loss of use and enjoyment for the duration of the hire agreement. I do not find it reasonable to use the cost of daily hire of a bicycle as a starting point for loss of use. Mr B has already been refunded the full amount he had paid towards the bicycle. Had Mr B had use of the bicycle he would have received a proportional refund to reflect the fact that he had use of it. In receiving a full refund, the fact that he did not have use of the bicycle since he received it has been addressed. I understand Mr B would like detailed breakdowns of how we have gotten to the refund amount, and I find this to already be clear. I will therefore simply say that having taken the entire history of this complaint into account, I find £250 to be paid directly to Mr B to be a reasonable resolution to settle this complaint.

## **My final decision**

My final decision is that I uphold this complaint and direct Consumer Credit Compliance Limited to pay Mr B £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 November 2025.

Vanisha Patel  
**Ombudsman**