

The complaint

Miss B complains about the end of contract charges in relation to a vehicle that was supplied through a motor finance agreement with RCI Financial Services Limited trading as Nissan Finance (RCI).

What happened

In January 2021, Miss B acquired a used car through a hire purchase agreement with RCI. The car was about three years old and had travelled 16,075 miles when it was supplied. The cash price of the car was £9,199. Miss B was due to make 48 monthly repayments of about £159 followed by a final repayment of £4,186.

Miss B complained that in March 2025, when she returned the car at the end of the agreement, she was initially shown a zero balance on the online portal. However, weeks later, she said she received a letter demanding £2,289.18 without clear justification. Miss B said that despite repeated requests for a detailed breakdown, RCI provided only general figures and later introduced new charges for a missing key and service.

Miss B says there's a lack of evidence for damage charges, misleading information about account balance, inappropriate conduct through unsolicited calls and debt collection threats during an active dispute, and failure to consider her vulnerable situation. Miss B said RCI admitted to and removed an incorrect arrears charge, reinforcing her concerns about their flawed communication.

Unhappy with the situation, Miss B brought her complaint to our service for investigation.

In July 2025, RCI issued their final response to Miss B's complaint. In summary it said the excess mileage charge was a contractual obligation but that they'd be willing to arrange a repayment plan. It acknowledged that the condition of the vehicle at the point of sale may not have been fully considered and considering the delays to their response to the complaint it waived all remaining damage related charges. It confirmed the remaining charges were the excess mileage and aborted collection fee.

In an email to our service in July 2025, Miss B acknowledged the total charges were revised to £1,300.24 she said the excess miles were incurred due to her need to travel to attend to a critically ill family member, and RCI should have taken that into consideration. However, she accepted the aborted collection fee of £199.20.

In October 2025, our investigator issued their view and recommended that Miss B's complaint should be upheld in part. In summary the Investigator concluded that RCI were justified to charge Miss B for excess mileage costs, however for not observing Miss B's communication preferences, and not halting recovery action, the Investigator recommended that RCI should pay Miss B £100 in compensation for the distress and inconvenience caused.

RCI accepted the Investigators recommendation, however Miss B didn't, Miss B acknowledged the excess mileage clause exists in the agreement but felt they should be

reduced on compassionate grounds. Miss B also advised of the ongoing stress as a result of the repeated contacts from RCI.

The Investigators view remained unchanged, so Miss B asked that her complaint be referred to an ombudsman to make a final decision. Miss B however reiterated that RCI ignored her requests for written-only communication, caused emotional distress through persistent contact despite her vulnerable situation, offered inadequate compensation, and failed to show empathy over excess mileage charges which she felt breached FCA principles.

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.

Firstly, I acknowledge what Miss B has told us about her vulnerable situation, and I'm sorry to hear about this. I recognise this would likely have made things more difficult for her. If she hasn't already done so, Miss B may decide to seek further support with her situation. Further information about this can be found on our website at the following address:
<https://www.financial-ombudsman.org.uk/accessibility/additional-support>

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

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 B complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Miss B's complaint about RCI.

I have carefully considered all the evidence and arguments provided by both parties. I acknowledge what Miss B has told us about her vulnerable circumstances and the additional stress caused by this situation. I am sorry to hear about the difficulties she faced, and I recognise that this would have made the experience more challenging for her.

I've not considered the initial charges applied to the end of contract because these are no longer in dispute. Miss B challenged them and RCI have agreed to waive them.

However, in relation to the excess mileage charges and the aborted collection fee, Miss B hasn't disputed their validity. Miss B acknowledged that she accrued the excess miles and that they are chargeable under the contract. She also accepted the aborted collection fee.

Having reviewed the agreement and the relevant regulations, I agree with the Investigator's conclusion that RCI was entitled to apply the excess mileage charge. This term was clearly set out in the hire purchase agreement, and Miss B accepted that the clause exists.

It appears the main concern here is around the charges being applied and RCI's alleged lack of discretion to mitigate them in some way given the circumstances. While I appreciate Miss B's explanation that the additional mileage was incurred for compassionate reasons, I don't think it's reasonable to expect RCI to waive or reduce these charges, as they remain a contractual obligation. RCI are not obliged to apply any discretion here.

Having said that, I agree that RCI did not fully meet its responsibilities in how it handled its communication with Miss B. It failed to respect her stated communication preferences and continued recovery action during an active dispute which they said they would usually pause. These actions caused unnecessary distress and inconvenience to Miss B, particularly given her vulnerable situation.

In the circumstances, I'll be instructing RCI to pay Miss B £100 compensation for the distress and inconvenience caused by failing to observe her communication preferences. I acknowledge what Miss B has told us about the impact of the repeated contacts she had from RCI, and the anxiety it caused. However, from the information provided I'm not persuaded their mistake warrants more compensation. Given what Miss B has told us about her circumstances, although their actions didn't help an already challenging situation, I don't think RCI should be held fully responsible for the distress Miss B was experiencing. I won't be instructing them to pay anything more. They should, however, ensure that any future communications comply with Miss B's preferences.

My final decision

Having thought about everything above along with what is fair and reasonable in the circumstances, I uphold this complaint and instruct RCI Financial Services Limited trading as Nissan Finance to:

- Pay Miss B £100 in compensation of the distress and inconvenience caused

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

Benjamin John
Ombudsman