

The complaint

Mr H complains that CREATION CONSUMER FINANCE LIMITED (who I'll call Creation) failed to provide their vehicle return standards and that they were unfair to charge him an arbitrary collection fee.

What happened

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.

Mr H entered into a hire purchase agreement with Creation in November 2022. The agreement was for a term of 49 months.

In May 2025 Mr H contacted Creation to inquire about exercising his right to voluntarily terminate the agreement. As part of this he asked Creation to confirm the voluntary termination figure and to provide the vehicle return standards so he could understand the condition requirements that would apply when the vehicle was returned.

Mr H said Creation didn't provide the relevant return standards despite repeated requests. The agreement referred to guidance issued by the British Vehicle Rental and Leasing Association, often referred to as the BVRLA, but Mr H said the link provided didn't work and that the guidance itself was never supplied to him. He said this meant he couldn't assess the condition requirements or decide whether to carry out any repairs before the vehicle was collected.

Creation accepts the agreement referred to the BVRLA fair wear and tear guidance. It said the standards were referenced in the agreement and later included in the final response issued on the 23rd of July 2025. Creation also said the collection charge may apply if it arranged collection of the vehicle and provided an estimated amount of around £300.

Mr H ultimately terminated the agreement, and the vehicle was collected on the 22 September 2025. Creation said a £300 collection fee was applied on the 11 September 2025 and paid by Mr H on the 29 September 2025. I haven't seen evidence that refurbishment or damage charges were applied following the return.

Our investigator concluded that Creation hadn't provided the return standards when Mr H first requested them and that this amounted to poor communication. However, the investigator wasn't persuaded Mr H had suffered financial loss because he hadn't reached the statutory halfway point required to terminate the agreement without further liability. The investigator recommended Creation pay £150 compensation for the distress and inconvenience caused.

Mr H didn't agree. He asked for a decision by an ombudsman, and he explained that the BVRLA guidelines were never properly provided and that the collection fee was unfair because it wasn't clearly specified in the agreement. He also said he incurred insurance costs while waiting for collection and disputes that Creation could charge the collection fee without clearly stating the amount in advance.

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 agree with the investigator's view of this complaint, for broadly the same reasons.

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.

The agreement Mr H entered into was a regulated hire purchase agreement. Under sections 99 and 100 of the Consumer Credit Act 1974 a consumer who voluntarily terminates an agreement is liable to pay up to half of the total amount payable under the agreement together with any arrears and any reasonable costs arising from a failure to take reasonable care of the vehicle.

When Mr H first contacted Creation about voluntary termination the evidence shows he hadn't yet paid the statutory halfway amount. This means that even if Mr H had terminated the agreement immediately after making his inquiry, he would still have needed to pay the difference to reach that point. So I'm not persuaded that any delay in providing information prevented him from terminating without further liability.

However, I do agree that Creation didn't make the relevant return standards reasonably accessible when Mr H first requested them. The agreement referred to BVRLA fair wear and tear guidance and included a link to that guidance. But the link contained in the agreement didn't work. Creation has since provided this service with a working link but I've seen no evidence that this was provided to Mr H at the time and Mr H says it wasn't. In my view where a business relies on external guidance to define the standards a vehicle must meet when returned it should ensure those standards are accessible to the customer when requested. Creation didn't do that here and I agree this amounted to poor communication.

Mr H also disputes the £300 collection fee. The agreement says that if the customer asks Creation to collect the vehicle they may impose a reasonable charge for collection costs. In my view this clause makes it sufficiently clear the collection charge may apply. Creation also told Mr H the likely charge would be around £300 which I consider a reasonable estimate to provide at that stage. I therefore don't find the charge itself to be unfair in principle.

I appreciate Mr H says he incurred insurance costs between the termination date and the collection date. However, these events occurred after Creation's final response and weren't considered as part of the complaint investigated by this service. If Mr H wishes to pursue those costs or dispute any charges applied after the vehicle was returned, he would first need to raise those concerns directly with Creation.

Taking everything into account I'm satisfied Creation did make a mistake by failing to provide the return standards when Mr H first asked for them. But I'm not persuaded this failing caused Mr H any financial loss. In the circumstances, I think it's fair that Creation pays compensation for the distress and inconvenience caused by the failing.

My final decision

My decision is that Creation Consumer Finance Limited should pay Mr H £150 for the distress and inconvenience caused by not providing the return standards when requested.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 April 2026.

Phillip McMahon
Ombudsman