

The complaint

Mr C complains about the charges applied to his account when he has terminated his hire agreement early with LeasePlan UK Limited (“LeasePlan”).

What happened

Mr C entered into a hire agreement in February 2023 for the supply of a car. It was a 34-month agreement. He agreed with LeasePlan to terminate the agreement early in 2025, and after this happened, he complained to them in March 2025 about the excess mileage charges.

LeasePlan responded to his complaint the same month and didn't uphold it. They said that they had charged the excess mileage correctly. Unhappy with this, Mr C brought his complaint to our service. It was investigated and the investigator didn't uphold it. They said that they had checked the early termination charges first, and these were fair and in line with those discussed in the agreement he had signed.

With regards to the excess mileage, they said that the agreement said every mile over the allowed 8,000 miles per annum would be chargeable. They highlighted that Mr C had handed the car back after two years having covered 44,248 miles as opposed to the contracted allowance of 16,000 miles (8,000 miles per annum).

Mr C didn't agree with this, and said that he agreed that the agreement said that for mileage between 100% and 115% of the allowance, he would be charged 11.72p per mile, but then in the section about charges for over 115% of the allowance, it was blank, therefore he should only be charged for going up to 115% of his allowance, and after that, the contract detailed no charges.

The investigator responded saying that this didn't change their opinion, as they felt that the agreement said all mileage over the allowance would be chargeable, and if this section was supposed to say that mileage over 115% wasn't chargeable, they'd have expected this to be outlined, not for the space to be left blank.

Mr C didn't agree and highlighted that this was an unclear/unfair contract term, and he'd like an Ombudsman to make a final 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr C was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

Firstly, just to confirm, I agree with the answers provided by the investigator regarding the wider termination charges for the agreement. Mr C hasn't pushed back on these, but I just wanted to confirm that I agree that they are fair and in line with the terms of the agreement he signed up to.

I will focus my answer here on the area which remains in contention, the excess mileage charges. Mr C feels that the contract term in question is unfair as it is vague, and unclear, and as such, he believes unenforceable.

Firstly, I'd like to remind Mr C that our service is designed as a quick and informal dispute resolution service as an alternative to the courts. He has made a number of legal arguments as to why he doesn't believe the excess mileage charges are enforceable, but I don't intend to focus on a legal answer here.

Whilst I will of course consider the applicable law, I intend to focus on what's fair and reasonable in the circumstances here. If Mr C wants a court to determine the answer, he always retains the option to not accept my decision, and to take the matter to court.

I accept that the section of the contract he has highlighted doesn't specify what the charges are if he goes more than 115% over his allowed mileage. I've thought about what I think a reasonable person would do when faced by this situation. I think most people would recognise that these charges exist to reflect a reduced value of the car if it is returned having done more mileage than was contracted.

On this basis, I think a reasonable person would conclude that if different charges are going to apply based on how much excess mileage has occurred, the charges would become higher as the excess mileage increased. This would recognise that the car might lose further value if it was returned as a much higher mileage vehicle.

I've thought about a situation where the first 15% of excess miles would be charged, and then after this, no charges would apply, and I'm not persuaded that this is a conclusion I would come to from this contract. As has been discussed with Mr C, the contract doesn't state that the charges are 11.72p per mile for up to 115% of the mileage allowance, and then after this, zero. The section is blank next to the "over 115%" note.

Alongside this, the same section of the contract states that the excess mileage charge will be payable for "each mile" driven in excess of the allowance.

In addition to what the Investigator at our service has laid out for Mr C, when they supplied their final response letter to the complaint, LeasePlan also sent Mr C a copy of the financial summary paperwork produced by the broker when they presented the quote to Mr C. This is slightly different in that it just shows a total amount of mileage for the full term of 23,334 miles, but it then says that over that number, 11.72 p per mile would be chargeable.

So, I'm not persuaded that Mr C would have entered the contract expecting not to pay excess mileage charges for anything over 115% of the allowed mileage.

On checking his contract terms, I can accept that the section for charges over 115% being blank might have raised a question from Mr C. But when the same section of the contract

states that any mileage over the annual allowance will be chargeable, I'm not persuaded that a blank section makes it an unfair contract term, or unenforceable. I'm also not persuaded that having read this section, a reasonable person would assume that nothing would be charged for mileage over 115%.

Finally, if I simply consider what is fair and reasonable here, Mr C has handed the car back after two years having covered around 275% of the agreed allowed mileage. I think it's reasonable for LeasePlan to charge for all the excess mileage, so I won't be asking LeasePlan to do anything more here.

My final decision

I am not upholding this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 January 2026.

Paul Cronin
Ombudsman