

The complaint

Mr H complains how Ald Automotive Ltd (“Ald”) have overseen his request to terminate his regulated hire agreement with them.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In August 2020, Mr H entered into a regulated hire agreement with LeasePlan UK to hire a van. The agreement was for a minimum term of 36 months – and LeasePlan UK were taken over by Ald in May 2023.

At the end of the initial 36 months hire period, Mr H was given the option by Ald to extend the agreement formally for either 6 months or 12 months. He chose to extend it for 12 months and was provided with an addendum to the original agreement. This addendum confirmed that, after the 12-month period expired, the agreement would continue on an ‘extended term’ basis, with monthly rentals being taken until one side or the other chose to bring the agreement to an end. All other terms and conditions of the original agreement remained in place.

In September 2025, Mr H told Ald that he wanted to terminate the agreement. He said the timing belt on the van had failed, and the van now needed an engine replacement. He told Ald where the van was located. Ald responded to say that the van needed to be in working order to be collected. They offered to arrange for a low loader to collect the van, but Mr H would have to bear the cost of that. He didn’t agree to it, and Ald issued late-hire charges against him as the agreement had been terminated and Mr H still had possession of the van.

Mr H complained about this to Ald, but they didn’t uphold his complaint. They said it was Mr H’s responsibility to ensure the van was maintained in good condition, and any damage needed to be made good by him, irrespective of the cause of the damage.

Mr H brought his complaint to our service. Our investigator didn’t uphold it. He said that Ald hadn’t acted unreasonably towards Mr H when he considered the terms and conditions of the agreement and Mr H’s liability under it to ensure the van was maintained and in good repair prior to collection. He said it was reasonable for Ald to offer to arrange a low loader to collect the van, and to ask Mr H to cover the cost of that, as the van was undriveable.

Mr H didn’t accept this. In summary, he said:

- The contract had formally ended in August 2024, and it was Ald’s responsibility to tell him the agreement was ending at that time.
- The damage to the timing belt had only occurred after the agreement had ended. If Ald had terminated the agreement when they should have done in August 2024, the van would have been returned to them without the damage.

As Mr H didn’t agree, the complaint has been passed to me to decide.

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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

As the hire agreement entered by Mr H is a regulated consumer credit agreement this service is able to consider complaints relating to it.

Our investigator has already provided a detailed opinion on Mr H's complaint, as well as a detailed response to Mr H's post-opinion communications – and within his opinion and response he has explained his thoughts on the outcome of the case. I agree with our investigator's opinion in this case, for the same reasons as already explained to Mr H, so I don't consider I need to address the complaint in as much detail. Instead, I'll set out what I think are the key considerations for me to make a decision. Our powers allow me to do this.

Mr H's main argument seems to be that the contract should have ended in August 2024, and his continued use of the van and subsequent problems he's experienced with it have occurred post-contract, and therefore the terms of the agreement shouldn't be applied. But I don't agree with his comments here. Mr H agreed to extend the agreement from August 2023 and was provided with an addendum to the original agreement in mid-July 2023. Whilst I accept this addendum explained the 'formal end date' of the contract was 20 September 2024, it also explained the following:

'Term: Minimum period of hire of 12 months commencing on the commencement date of the period of hire under the earlier hire agreement.'

It went on to say:

'Unless either party gives written notice to the other to terminate the hire at the end of the Minimum Period of Hire, Extended Term Rentals of £405.60 (inc VAT) will be payable, beginning on 20/09/2024, and subsequently on the corresponding day of each subsequent month until the end of the month when the hire is terminated by one party's written notice to the other.'

Finally, it said:

'The above information replaces the information in the earlier hire agreement from the date of this agreement. You should keep your copies of the earlier hire agreement to read together with this agreement. The information in the earlier hire agreement and its terms and conditions are not varied or supplemented by this agreement and remain in full force and effect.'

Mr H has agreed to the extension of his hire of the van and has accepted the terms contained within it. He has also continued to pay the monthly rentals for the van up until August 2025 and has continued to use the van. Considering everything provided, Mr H's

continued payments and his continued use of the van, I'm satisfied he was aware the agreement was still in force when he asked Ald to terminate it in September 2025.

Mr H has said that he believes Ald should have been in touch with him in August 2024 to tell him the agreement was ending – but I haven't seen anything to suggest that is Ald's responsibility, and the terms of the agreement confirm it will remain on a rolling monthly basis until one side or the other chooses to bring it to a close. Also, if Mr H believed the agreement was due to end in August 2024, I'm surprised he hadn't been in contact with Ald around that time to ask how the van would be collected, or why they were continuing to take the monthly rentals by direct debit from him. As I'm satisfied Mr H was aware the agreement was still in force, I'm satisfied Ald can rely on the terms and conditions when discussing with Mr H how the van needs to be returned to them, and any additional costs for damage or late-hire charges can be applied.

Mr H has also said that he thinks the failure of the timing belt should be classed as general wear and tear and shouldn't be his responsibility to repair. He believes that Ald should have informed him that the timing belt might be nearing the end of its lifespan and, as a result, he wants Ald to pay for the repairs, and to collect the van in its current state, at no cost to him. I'm sorry to disappoint him, but that isn't Ald's responsibility under the agreement.

Although the van was predominantly for business use, I am satisfied there are relevant implied terms that apply here in respect of the requirement to supply goods of 'satisfactory quality.'

The quality of goods will be satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a van, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the van's history.

The quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

Any repairs would only be Ald's responsibility if Mr H were able to show that the fault with the timing belt had been present or developing at the point the van had been supplied to him or had been an inherent fault with the van. Mr H has had the van for five years and covered approximately 96,000 miles in it during that time, and it was for him to ensure the van was serviced and maintained in accordance with the manufacturer's recommendations during the time it was in his possession. Mr H has accepted the timing belt has failed in line with the manufacturer's suggested time period for it to fail, and I'm satisfied the fault has manifested long after Mr H initially took possession of the van. As such, as he isn't able to show the fault would have been present or developing at the point of supply, it's for Mr H to ensure the repairs are completed, and Ald have no responsibility to assist him with paying for those repairs.

The terms of the agreement confirm the van must be returned to Ald in a safe condition and in good and substantial repair. If it isn't then Ald are able to charge Mr H for the reasonable cost of repairing the van once it's been collected. As the van isn't driveable, Ald offered to arrange for collection with a low loader, and Mr H would have to bear the cost of that, but he didn't agree. I'm satisfied it was reasonable for Ald to suggest this, considering they're entitled to have the van returned to them in a roadworthy condition at a cost borne by Mr H. It remains for Mr H and Ald to come to an agreeable conclusion for the collection of the van if this hasn't already been decided.

I know this decision will come as a disappointment to Mr H. But as I'm satisfied he knew the agreement was still in force when he terminated it in September 2025, and the timing belt failed while the agreement was still active, Ald haven't acted unfairly towards him. I won't be asking them to do anything further here.

I'd like to remind Mr H that he doesn't have to accept this decision if he thinks he can achieve a better outcome by alternative means, such as through the courts.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 May 2026.

Kevin Parmenter
Ombudsman